JPRS-EER-86-197 31 DECEMBER 1986

# East Europe Report

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# EAST EUROPE REPORT

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ECONOMY

SHORTCOMINGS IN FINANCIAL, BANKING FIELDS

Tirana RRUGA E PARTISE No 5, May 86 pp 17-25

[Article by Andrea Nako: "The Financial and Banking Workers are Faced with Great Tasks in the Effective Management of the Economy"]

[Text] In the execution of the party directives, especially those of the last plenum of the party Central Committee, the financial and banking organs in all links have done and are doing continually more work to ensure both a deeper understanding of the economic policy of the party and its concrete execution. thus making an important contribution, together with all the workers of the other economic and state organs, in order to realize the indices of the plan and to manage production effectively. The many studies and analyses made by the organs of the financial system in the area of accumulation, cost and maintenance of correct distribution in the matter of income and expenditures, which have better supported the process of planning, by discovering and utilizing new material, financial and hard currency reserves have been and continue to be of great value. The realization of budget income for the first quarter of this year and, especially, the fact that this realization is about 6 percent higher than that of the first quarter of last year indicates the good and effective work that is being done in this first year of the Eighth Five-Year Plan by the organs of the financial and banking system at the center and at the grassroots.

But, in analyzing the work and achievements in the spirit of the conclusions and the tasks of the 14th plenum of the party Central Committee, and especially in light of the just and constructive criticism voiced at this plenum by Comrade Ramiz Alia, it is evident that great tasks stand before the financial and banking organs. The issue is that we should measure the strengthening of the active role of finance by means of concrete results, which must be achieved in production and accumulation and with more thorough measures for the utilization of the material and technical base, as well as financial and hard currency funds, with savings and high effectiveness, in order to execute, correctly and without concessions, socialist law and the rules of good administration of production and socialist property, in order to strengthen control, and, especially, in order to increase its power of discovery and prevention in the struggle against liberal views and subjective and orbitrary practices. In these areas, emphasizes Comrade Ramis Alia, "The party and the people require a radical change in all these forces and controlling organisms for the defense of the law and socialist property, for the struggle against

manifestations of liberalism, for strengthening the discipline of the plan as well as financial and work discipline.

1.

The party, in evaluating correctly the role of finance, the bank and the accounting sectors in all links of the organization and management of the economy, has assigned them very important functions and tasks: in the first place, these involve the mobilization and increase of sources of accumulation and financial and hard currency income in the country.

Achievement of this objective requires, on the part of the financial and banking organs, a broader and more responsible commitment than heretofore in all matters of production, so that by better coordinating work with the producers, not only will there be enough production to fulfill the needs of society, but ever higher profit and accumulation will be ensured.

The increase of production and the constant growth of sources of capital, together with the most correct and economical utilization possible of accumulation funds, constitute - today more than ever before - an objective necessity, which is directly connected not only with the present, but also with the future, building of socialism, especially at the rates and proportions with which the economy is developing and will develop in the future. The fact that we do not take either credit or assistance from other countries makes it an objective necessity that all our organs of the financial and banking system conduct a great struggle not only to ensure the requisite quantity of accumulation funds, but also to respect the deadlines for payment to the central budget fund, so that the economy may be financed continually at an even rate, as the rates of development of expanded socialist reproduction require.

The increase of sources of accumulation in our economy is conditioned by a number of factors, but among them the most basic and most important one remains the increase of production in all enterprises and branches of the economy, especially in those branches where more has been expended and invested, such as oil, agriculture, mining, etc. In this respect, the closest link with the problems of production, especially in these key branches of the economy, remains the major and most important work front of the financial and banking organs in the whole pyramid of the financial system of our country. For that reason, our work in executing the directives of the party for the revitalization and strengthening of economic thought has been concentrated on finding new forms and methods to link finance as closely as possible with production, by increasing the active role of the former in both the planning phase and in the phase of realizing tasks of the plan.

The work method used by the finance sections and the bank branches of the Vlore, Durres, Tirana and Lushnje districts for examining and following, with pencil in hand, both the economic indices of production and their financial ones, linking them closely with production, constitutes good experience with

concrete results, which, especially after the 14th plenum of the party Central Committee, we are disseminating and propagating in other financial and banking organs as well.

We have emphasized the dissemination of positive experience because of the fact that there are still some financial organs in enterprises, in districts, and even in central ministries, with various unjustified demands. They do not follow the dynamic process of the entire work of planning and execution of productive organs. This is the reason for the poor results last year in the plan to lower costs and financial income in some economic enterprises and agricultural cooperatives. Manifestations of an incorrect conception of production effectiveness and shortcomings in coordination among various indices of the plan occurred even during the drafting of the 1986 plan. local financial sections and some financial executives in central ministries did not immerse themselves in the draft plan of production, in its volume and structure, did not consider properly the export-import plan, and did not evaluate the qualitative indices to the same extent as the quantitative indices. Thus, planned accumulation was below the true possibilities of production. Harm is also done by the tendency of some production management organs and some state and economic organs to require large expenditures without increasing income, while spending open-handedly.

At its last plenums, the party stated clear directives on the necessity for conceptualization and practical execution by every state and economic organ of the principle that "without income, there is no expenditure." What is spent, therefore, is somewhat less than the economy creates, in order to increase reserves. But the attitudes and actions mentioned above indicate that there are still some financial and banking organs which are not immersing themselves properly in the concrete situations in which socialism is being built in our country. For that reason, as Comrade Ramiz Alia instructed at the 14th plenum of the party Central Committee, it is imperative "that the recommendatory and operational force of economic thought and logic increase."

The task to strengthen and elevate economic thought and place it alongside advanced technical thought is assigned to all production workers and specialists; it is also assigned to state organs and party organizations, since economic thought does not occur and is not found in isolation. It is and must always be understood as a companion of technical and scientific thought, as well as of political, ideological and social thought. But in this process of increasing the role of economic thought, the economic organs, as specialized organs, which are thoroughly acquainted with both the economic policy of the party and the economic laws of socialism, as well as with the whole legal system of administration of social property and of the socialist economy in its entirety, have a special coordinating role.

The role of economic thought and the strengthening of the role of the financial organs is increased, among other ways, by means of the correct use of levers and economic and financial categories of socialism - a use which involves a sound and party-spirited position. In struggling against and rejecting those

restricting thoughts and practice which are engendered by a fear of sliding into revisionism, they do not want to cause trouble, but to use the economic levers and positions of socialism properly, to the advantage of the increase of production and its effectiveness. Indeed, the party has combatted and continues to combat every revisionist view and practice in the area of the economy in revisionist countries and has not permitted such phenomena to manifest themselves in our economy. But is has never denied our economy dynamic development and, within this framework, the necessity of improving the economic management of enterprises and cooperatives, in accordance with the development of production forces. It has done this through better utilization of the economic levers in the service of increased effectiveness of production. For a long time, the party has made it clear, as Comrade Enver Hoxha teaches us, that "When the growth of economic effectiveness proceeds in harmony with the aim of socialist production, and when internal accumulation is used for the benefit of society, it constitutes an objective necessity and serves to put into practice the principle of self-reliance" (Enver Hoxha. "Raporte e Fjalime 1978-1979" [Reports and Speeches, 1978-1979], pp 100, 101).

Within this framework, the organs of finance and banking have the task of influencing the growth of production more concretely by means of revitalizing economic thought, with as little expenditure of manpower and material as possible.

In the execution of these directives, special attention is being devoted to lowering the cost of products, which constitutes a major means of strengthening savings. As a result of the work that has been done, there have been good achievements in many enterprises and sectors of the economy. In the first quarter of this year alone, the expenditures on production have been lowered in about 65 percent of our enterprises, yielding about 15 million leks in savings to the economy over and above the plan.

But it cannot be said that this problem has been properly placed on the road to resolution everywhere. The results achieved and the work practice of some enterprises indicate that work is not being done as seriously and carefully to lower costs as it is for other indices of the plan. This is occurring because shortcomings are still observed in planning and monitoring this index. There are also manifestations of generalization and bias in determining and executing measures and ways which should lead to effective cost reduction. Thus, for example, in a number of enterprises, the cost reduction plan is not the result of scientific work, but of some general calculations on the basis of a little empirical knowledge and the routine practice of a few years, without the foundation of complex studies. Among other things, this index is not transmitted in analyzed form to the grassroots link of production - to the factories and workshops. Work done until now is inadequate to pass from the general level of expenditures to detailed levels or to cost per unit of production.

Shortcomings and omissions in the area of cost occur particularly in execution. The norms for use of materials, with respect to many raw materials, some of

which are imported, such as several types of steel, coking coal, some fuels, cotton and thread for textiles, exceed the plan because they do not proceed with optimum variations. The work norms in some enterprises are fulfilled and over-fulfilled, while the tasks of raising labor productivity are not realized, because there are fictitious fulfillments of work norms and lack of coordination of tasks to improve norms with tasks to increase labor productivity. Similarly, in some enterprises of the machine industry, the glass industry, light industry and the food industry, and the communal economy, there still exist considerable scarcities, losses, damage and misuse of various products.

All these, as well as other shortcomings - the result of which has been an increase in cost and damage - are evidence of the fact that the financial and banking organs have not properly come to grips with these problems, in order to stop them and resolve them, in cooperation with the production specialists and workers. There is influence here of mistaken concepts. Some managers and economists consider production cost reduction simply as a technical problem of production, with which only engineering and technical personnel must occupy themselves, eliminating to a certain extent the specialized organs of finance and banking, and transforming them into bearers of data and statistics, into recorders of numbers, who give out data on demand.

In order to eliminate the cases of such a work method, the 14th plenum of the party Central Committee assigned the organs of finance and banking, in cooperation with the other organs of the plan and production at the grassroots, the district level and the ministry level, the task of being at the forefront of work to discover and utilize the great reserves which exist and which are continually created within our socialist economy, in order to strengthen savings and increase sources of capital.

Within this framework, the problems of export and import and of the foreign exchange balance are important for the whole economic and social development of the country. On the basis of such an evaluation, the financial organs have increased their efforts and, in cooperation with the organs of foreign trade and those of production, they have attacked and resolved a range of problems in this area. The analysis of export and import and its effectiveness, the study of the economic profitability of some operations and the study of income growth from various sources, which were carried out by the Ministry of Finance and the banks, in cooperation with the district government organs, have had concrete results which are being further expanded during 1986. But the achievement of the great and important objectives specified by the 14th plenum of the party Central Committee for improving work in foreign trade also assigns concrete tasks to the workers of the financial and banking organs, who must give their opinions and suggestions in a timely manner. The point is that the organs of finance and banking, since they are closely connected with the organs of foreign trade and the enterprises which produce for export, must not only discover where the reserves are hidden in this area, but also report and prevent negative phenomena that are observed.

The 14th plenum of the party Central Committee specified important tasks for the workers of finance and banking, in order to increase the advisory and operational strength of economic thought in the problems of the effectiveness of expenditures.

Continually better work is being done in this area; the role and influence of the financial and banking organs to ensure the effectiveness and accumulation of every lek spent have increased. Nevertheless, current conditions dictate the need for greater and more qualitative work on the part of all organs of the financial system, in order to place the entire material and financial potential that has been created at the service of increased production and accumulation.

The correct determination of investments and their continually more effective and greater utilization, as experience indicates, require more strengthening and improvement of study, analysis and control by the organs of finance and banking. The deficits which were verified during the years of the Seventh Five-Year Plan in the realization of the investment and basic construction plan, which were also accompanied by deficits in the financial income of the state, indicate flaws and weaknesses in both planning and execution. Short-comings and omissions are observed especially in the study of the economic and social necessity and advantage of some operations, while the tendency to plan with reserves, for the internal use of some operations, requiring more funds than necessary, is still observed in many construction investments.

The experience of last year at the General Directorate of the State Bank, which, by means of a minute review of estimates, reduced planned investments by about 100 million leks, without harming the functional side of operations, is being extended further. A monitoring of estimates for oil and major mining operations, which was executed during the first quarter of this year, revealed that there are possibilities and reserves for investment fund savings of about 35 million leks. In some agricultural operations, too, possibilities for reductions were found, which amounted to about 10 million leks. These inspections, which concern cost reduction of operations, are more widespread in other branches of the economy. The initiative of banking specialists to make two or three inspections every month in the country, aside from analytical and disseminating work, is also being propagated by the financial organs as an effective means of connecting these organs with production and of realizing tasks with the minimum possible expenditure.

Comrade Enver Hoxha teaches us that "The country that produces a great deal is not always strong and rich, as is the one that produces much and to the extent of its needs, but especially knows, too, how to utilize everything with economy" (Enver Boxha, "Per Planin e 7-te Pesevjecar" [For the 7th Five-Year Plan], p 31). Within this framework, the financial organs and the control and auditing organs are devoting particular attention to the full utilization of existing production capabilities.

It is a fact that there are improvements in this area. But although this is the general situation, there are great faults and shortcomings in particular branches and enterprises. For example, in Tirara District and in several other districts, there are dozens of machines not in use. Similarly, some shops and factories do not always work up to the full capacity of their planned production. It is certain that full utilization of this national wealth requires, first of all, organizational and technical measures from the state and economic organs. But the financial organs can and must be of great help in this area, in both planning and execution. For this purpose, it is not only the compilation of balance sheets of production capacities according to the best indices and results that is important, but also accounting and continual following of a number of indices which make this utilization concrete, such as production per lek of major means, productivity per hour of work, the work regime of machine utilization, etc.

A broad area of the work of the financial organs involves, especially, the monitoring and analysis of losses and income which are certified in some enterprises. The elimination of these losses constitutes a great reserve for the increase of income and investments, because there are several million leks that have been drawn off the general accumulation in order to cover expenditures for some products and activities which operate at a loss. In cooperation with other economic organs, with those of agriculture in particular, as well as with the executive committees of the district people's councils, those enterprises which operated at a loss in 1985 and in the first quarter of 1986 are being examined individually, so that in 1986, no enterprise which has been planned at net income will operate at a loss.

Practice indicates that in order to eliminate some unprofitable products and activities, it is necessary, among other things, to use the price lever better than heretofore. The price level can be better used by the financial organs, in cooperation with the ministries and the executive committees of the district people's councils, by means of a more correct redistribution of income in the cooperativist sector and, especially, by increasing the production of some important agricultural articles with great consumer value for the population, such as animal husbandry products, beans, potatoes, some types of vegetables and other items, which, at the moment, have a relatively high cost. Similarly, it is possible to have better stimulation of the earliness and lateness of some products, as well as the production of some new items. We emphasize the latter, because there have been cases where some new items are not put into wide production or are done so late because the prices have been approved late. There has also been concern here about the correct utilization of some economic categories, in accordance with conditions created by the dynamic development of our socialist economy, as well as shortcomings in coordination of work among financial and production organs. These questions are thoroughly analyzed in the directives of the 14th plenum of the party Central Committee, and concrete measures are being studied in order to execute these directives in this area as well.

Planning and utilization of circulating assets and bank credit are being viewed from this angle, so that continually higher productivity and effectiveness may be ensured with the smallest means of this type. The financial organs, together with the ministries, have studied and are making concrete the present norms for circulating assets, which will create conditions for planning them on a scientific basis and for applying more active and effective control for the economical utilization of socialist accumulation.

Increasing the speed of movement of circulating assets so that the economy can be relieved in a continually better manner of many such expenditures and so that it can invest them in the creation of new basic funds is one of the most important aspects of the work of the financial and control organs. There is good experience in this area too. The results achieved in production, and especially the fact that the needs for production growth are being fulfilled with minimum increase of circulating assets, indicate that these matters are being placed on the road to resolution in a better way. From the inspections and analyses made by the financial organs, possibilities have been found to release about 30-40 million leks of circulating assets this year. Despite all this, there are still goods and material above the norm in many enterprises. and even stockpiles in some cases. The elimination of these requires, among other things, that the organs of finance and banking and the control and auditing organs should go more deeply into these problems, determining the responsibility of those who produce or permit to be produced utilization values which do not enter into the work of society.

The speed of rovement of circulating assets is also connected with the timely liquidation or obligations between enterprises and agricultural cooperatives. The data indicate that the state of debt and credit obligations is relatively extensive, which is evidence of the inadequate work of the financial and banking organs. For that reason, work is being concentrated on improving several forms of payment and on following up, in a better way, debtors and creditors, so that cases of violation of legal deadlines for their settlement may be entirely eliminated, and a sounder opinion against misuse and damage of material and monetary values may be created.

The financial organs also have a very important task with regard to the maintenance of proportions among indices and various aspects of extended socialist reproduction, such as those between budget income and expenditure, between increase of public production and increase of financial income, between the monetary income of the population and the fund of goods and services, between foreign exchange income and expenditure, etc. The fact that our economy, which is wholly based on its own material, technical and financial sources, despite the great negative influence of natural factors in some important branches of the economy, has shown further growth attests once more to the superiority of planned and proportional development of our economy, but it is also evidence of the growth of active influence on the part of all the financial organs in the ever increasing respect for these proportions, based on the requirements of the economic laws of socialism.

Nevertheless, confronted by the tasks assigned by the party in this area, as well as by the conclusions reached at the 14th plenum of the party Central Committee, the basic party organizations and the communists who work in the financial and banking organisms are analyzing thoroughly and critically the entire work done in this sector and are specifying and executing measures to improve the financial situation further, not only at the level of the whole economy, but also in every sector, district, production unit and work center. Special importance is being given to strengthening control by means of the lek and to discovering the reasons for the financial difficulties that have occurred in some enterprises. Thus, for example, the non-conformity that has occurred in some cases among production, distribution and transport has led to an increase in the situation of unavoidable production, especially in the timber industry, in mining, etc. As a result, financial difficulties have been created, inability to pay these enterprises has increased, budget obligations have not been met, etc.

Particular attention is being devoted also to increasing the level of study work by continually improving the method and style of work. These studies, which will be made not only by the central organs of the financial and banking system, but also by those of local enterprises, will have as their objective - along with resolution of current problems of development - a number of problems relating to the future, in order to make them clearer and more guaranteed in financial and foreign exchange sources.

Our working masses, under the leadership of the party, with Comrade Ramiz Alia at the head, have gotten down to work with all their strength to fulfill the tasks of the 1986 plan, the first year of the Eighth Five-Year Plan. Within this framework, the workers in finance and banking, and in financial control and auditing, have increased their mobilization in work and cooperation with other organs, so that the 9th party congress and the 45th anniversary of the party's founding will be met with fully realized economic and financial indices.

12249/12851 CSO: 2100/8 ECONOMY

PROBLEMS IN PLAN FULFILLMENT CRITICIZED

Bratislava PRAVDA in Slovak 25 Sep 86 p 1

[Author not indicated: "The Plan Is Obligatory for Everyone"]

The pressing tasks we have set for ourselves in the Eighth 5-Year Plan for the creation of national revenue demand from us all the consensus of real economists, those who think and work in a courageous, revolutionary and innovative way, with a great feeling of responsibility for fulfilling the goals set. Unfortunately, we are 8 months into the year and many of our plants and enterprises are not fulfilling the economic indicators or the state plan. According to the General Directorate, the worst is supposed to come this month--September, when those who do not fulfill the Plan traditionally present requests for their tasks to be decreased. In the past, usually after deliberations at the General Directorate and at corresponding ministries, they went home satisfied, especially if the economic production unit was fulfilling the Plan in overall terms. The practice was that those who were fulfilling the Plan or even surpassing it would have their tasks increased in September, and those not fulfilling it had their load lightened. Usually the justification was that an enterprise that had difficulties should be helped and not drowned. The question now is what the situation will be this September.

The fact that many enterprises will complain is apparent from the fulfillment of the plan in the first half of the year. For example, in the East Slovak region more than half the enterprises fialed to fulfill all obligatory plan indicators. A particularly complicated situation occurred at the Slavosovske Paper Plant, which is unable to fulfill the tasks on reconstruction of the power equipment because the supply and demand obligation has not been met. The list of culprits not fulfilling the plan included some that have been listed for several years, for example, Piloimpregna Kosice, Strojsmalt Hedzev, East Slovak Cement and Lime Works, Novy Domov Spisska Nova Ves, and others. At a meeting of the Presidium of the East Slovak Regional Committee of the Communist Party of Slovakia, where the results of the first half of the year were evaluated, the branch of the East Slovak Regional Committee of the CP of Slovakia for party work in industry stated that by July, 19 industrial and 12 construction enterprises had already given up. Their directors announced that they will not fulfill this year's plan unless the economic production unit postpones them. At meetings with the directors and chairmen

of party organizations at the regional committee level, where the assembled leaders were reminded in particular of the reserves in inter-enterprise management and budgeting, the majority did promise to improve the fulfillment of planned tasks, but not all of them actually did something about it. This is evident from the results of the past 8 months. Since the beginning of the year 13 industrial enterprises in the region still lag behind. Nor can the builders be praised, since among other things, they have been 68 apartments below target since the beginning of the year. However, in general the East Slovak region has been fulfilling the State Plan in the last 8 months. For some indicators the results have been better than the average for Slovakia as a whole. Thanks to the East Slovak Iron Works and the consumer products industry, the industrial enterprises have fulfilled the adjusted value-added target by 101 percent, the gross production plan by 100.6 percent, and the production of goods by 100.5 percent. Again, the situation is as it has been in the past, namely a large number of enterprises must pull the weight, i.e., surpass tasks, so that some can ride along easily, so to speak.

The East Slovak Regional Committee of the CP of Slovakia certainly has no intention of being satisfied with this situation. In the event of long-term failure to fulfill the Plan, particularly when it is a case of bad organization of labor, in many cases it has recommended personnel changes in the economic enterprises' management. If an individual cannot handle the tasks, he must certainly step down and let a more able person fill in.

The committee also carefully studies the reasons the enterprise give for not fulfilling the plan. For example, it found that some industrial managers chose to speculate: to lag behind in plan fulfillment and thus achieve an adjustment in September. In proven cases of speculation, the director in particular is punished by a report in his personnel file including a reprimand to the effect that, should the situation recur, he will be dismissed. There are also reported cases when the enterprise did not fulfill the Plan because sales were not lined up. To force it into production for which there is no

ket would serve no one's interest. In such cases, a quick change in the duction program is sought. However, the vast majority of poorly performing cerprises claim that the reasons are problems with supplies of raw materials a sell as promised new technology on which production plans are based. Therefore, let us examine this key problem of many enterprises for a moment.

In the report of the Central Committee of the CP of Slovakia on the fulfillment of the agreements of the 16th Congress of the CPCZ, the Resolutions of the Congress of the CP of Slovakia and on other Party tasks in Slovakia, the following was said on this matter: "Improvement in management and planning, particularly at this stage, requires a strengthening of economic relations between organizations by strengthening economic agreements and improving the instructional aspect of Plan specifications. Through the agreements, conditions must be created for increasing the buyers' role in determining technical levels, the product range, merchandise quality and supply deadlines. In the interest of production evenness and steady provisioning of domestic and foreign markets, further progress must necessarily be made in supply and demand relations and in eliminating the fundamental basis for cheap excuses based on banal objective causes.

If we ask what kind of progress we have made toward strengthening economic relations and agreements, we have very few reasons to be satisfied as yet. The statements of the enterprises' chief economists at Party economic meetings and in the press prove this point. In connection with the problems with the development of the East Slovak lowlands and the fulfillment of economic agreements, the Director of Agrostav Michalovce, Engineer Michal Kadilak, wrote in Pravda on September 10 of this year: "We directors look to them (the workers [author's note]) as if we do not know what we are doing. But judge for yourselves. Last year we received budget allocations for the ETC grooving machines, but not the machines themselves. They supposedly did not deliver them and we had no success at arbitrage either. This year the situation has repeated itself. It's budgeted but Agrozet did not verify the agreement because it doesn't know whether the machines will be available. Our production people are beginning to doubt the seriousness of the state plan. When the State Planning Commission makes an allotment of machines to the ministry, it then in turn makes it a commitment to the regional economic administration which, through the regional association Agrostav, allots the machines to us. But when it comes time for us to receive them, we find that there has been an overallotment. However, we have already received tasks on the basis of the fact that we already have these machines. Shouldn't there be someone personally responsible for these matters?"

Certainly everyone will agree that that should be the case, at least so that, as we have seen many times at the meetings of the Central Committee of the CPSU, speakers from the podium reproach particular employees for problems with construction or at enterprises which, because of poor labor organization, have had problems with plan fulfillment.

In this regard, the above-mentioned report of the Central Committee of the CP of Slovakia on the fulfillment of the agreements of the 16th Congress of the CPCZ states that: "Economic agreements are, figuratively speaking, the extended hand of the plan and therefore must be fulfilled well and on time. In addition to having legal authority, they must have an impact on material interest so as to penalize or reward results by bonuses or punitive measures." In terms of rewards, there is no doubt that the employees of the ministries, foreign trade enterprises and general directorates expect rewards for timely deliveries of raw materials, materials and machines. But we hope yet to read or hear anywhere that any of the employees responsible for overallotments have been penalized. Public criticism of nonfulfillment of the state plan and the economic agreements has been thus directed towards enterprise and plant directors. For example, in connection with nonfulfillment of the plan in the East Slovak region, the name of the director or the plant manager is routinely given with the name of the enterprise, at meetings and in the press as well. But in many cases, for the sake of objectivity, more names of people who do not fulfill their duties set by the economic agreements should be added.

For today as well as for the future we emphasize that the fulfillment of the state plan must become a matter of consciousness and honor for everyone because the creation of national income, and therefore our standard of living in the future, depends on the fulfillment of the goals set by the Eighth

5-Year Plan. In order to better satisfy the demands of the domestic market, ensure effective export performance and meet the needs for modernization of the national economy, we must increase industrial production by 18-20 percent. Even a slight hesitation in the first year of the 5-Year Plan can seriously jeopardize the final goal. Therefore, any kind of effort to obtain an adjustment in the original plan frustrates this purpose. Particularly the communists at all worksites must guard the inviolability of the state plan and set examples for its fu<sup>1</sup> llment. We must carry out the leading tasks consistently and maintain the after the outset any kind of nonfulfillment of the economic agreements. Otherwise, these extended arms of the plan will become stumps with which the affected enterprise will be unable to grasp anything.

12993/12948 CSO: 2400/45 ECONOMY HUNGARY

#### 1987 CHANGES IN ECONOMIC REGULATIONS VIEWED

Focus On Income

Budapest MAGYAR HIRLAP in Hungarian 13, 14 Nov 86

[Article by Maria Lakatos: "Regulatory Changes '87" Part 1]

[13 Nov 86 p 5]

[Text] The 1987 modifications of governmental rules and regulations have just been published. There are no fundamental changes in strategies, or in the legal setting that serves as the basis for formulating plans. It is clear that the stringency of regulations will not be relaxed next year, and that withholdings will not be reduced ...

Issue 46 of MAGYAR KOZLONY presented the 1987 [code of] regulations a few days ago. There are no major changes to ignite the tempers of enterprise managers, except for the regulation of [enterprise] income. In this area the rules of the game are once again being made more stringent.

Before reporting on details, we should perhaps paint a broad-brush picture of year-end accomplishments, those we can rightfully claim as our own. The unfavorable trends of the initial months remained unchanged. Accordingly, the first nine months of the year may be characterized by restrained accomplishments only. Following a decrease in 1985, national income, production is once again on the rise, but has not reached the projected levels of growth. Neither have exports. Real wages have have exceeded projected levels of increase because wages paid have exceeded the value of production. Certain enterprises have significantly improved their efficiency nevertheless, and beneficial organizational changes have been initiated.

Two Requirements

Prosent changes in the body of regulations are measures to correct the shortcomings of the existing system. Preparatory work for future changes in the taxation system continues at the same time. The 1987 changes satisfy two requirements. First, they enhance endeavours to increase exports and to improve efficiency. Second, they strengthen the policy of selective regulation.

Among all the changes in the field of economic regulations, those that pertain to [enterprise] income have the most pervasive effect on the public. The essence of these modifications is that the link between wages and production is being strengthened through the introduction of the concept of "aggregate wages." In other words, enterprises will be taxed on the basis of changes in the aggregate amount of wages paid, rather than on average amounts of wages.

[From the viewpoint of tax treatment of enterprises,] previous rules provided four distinct bases. These were income levels, incremental income, centrally regulated income levels, and freely chosen income levels, subject to more stringent central regulation. The latter category is now being discontinued. It was this category in the past that provided [an alternative] for those who did not want to apply the form prescribed to them. Such enterprises could petition their inclusion into this category, subject to annual renewal. Beginning next year, only the centrally prescribed form may be used. Regulated income levels will continue in the form of "individual aggregate income levels", on a somewhat broader scale than before. Within the framework of incremental income levels, enterprises will pay taxes after increments in aggregate income, rather than after average income. The central regulation of average income will continue to prevail in places where it is justified to increase or to maintain previous employment levels, e.g. in coal mining, the electric power industry, and the post office.

Central regulation of aggregate income is a new form. Foundry works, the bauxite- and ore-mining industries, as well as the brick, tile and fire-resistant materials [manufacturing] industries fall into this category. The efficiency of these industries may be improved by lowering employment It will be a general requirement that enterprises maintain levels also. efficient employment. Such efficiency is being encouraged-as revealed above-by the regulation of aggregate income. Accordingly, reductions in employment levels should result in increased production. A significant portion of wages saved through reductions in employment could be redistributed among the remaining workers. Another feature of the new regulation is that only half of the increment produced by virtue of added value must be considered in determining the aggregate income of enterprises. If production slows down, wages would decrease proportionately. Unwarranted expenditures of enterprise income are subject to a 300 percent tax, and the special tax on average wage increases that are larger than ten percent, remains in effect. In other words, an enterprise that utilizes amortized funds for wage increases will pay a tax penalty. In summary then, the bottom line is that income tax regulations are becoming more stringent: for example, with respect to individual aggregate income, enterprises will pay in the average 1800 forints more per employee.

The Most Important Element

It is rather easy to project that money amounts not expended during primary work hours will be expended through work associations [VGMK]. A proportionate increase in the rules applicable to VGMK-s has been talked about already.

The most important element of economic regulation is the improvement of trade balance. The eight percent devaluation of the Forint in September vis a vis convertible foreign exchange represents the change. This action tends to

check domestic inflationary forces. It is anticipated that devaluation will primarily enhance the interests of exporters: the added profit will remain at the level of exporters. With respect to export transactions paid for in rubels, the efficiency requirements are being strengthened, and are being made more stringent.

General tax rates will not be changed beginning January 1, so as to stabilize regulations. Accordingly, the general profit tax, wage tax and accumulation tax will not change. Within a narrow scope, enterprises will receive normative benefits: they will not have to pay accumulation taxes on investments pertaining to environmental protection and to occupational safety and health. Equally, funds expended to broaden the network of social services will also be exempted. A minor change will result from the requirement by which henceforth, the first three days of sick pay and disability allowence must be paid by the enterprise. This outlay will be accounted for as an expense and will leave unaffected the joint interest fund [that is based on relationship between wages and productivity.] At the same time, special income tax advantages will be narrowed: for example capital tax advantages in the four specialized branches of the textile industry [will be eliminated.] Hopefully, next year's economic will benefit from the bankruptcy and liquidation provisions that have gone into effect already.

The Only Way

The establishment of a two-tier banking systems constitutes the major change in 1987. The flow of capital will be accelerated and capital utilization will be more efficient. Beginning early next year, stock corporations and limited liability corporations composed exclusively of domestic enterprises may be formed without special permits from governmental authorities. This will accomplished by virtue of changed legal provisions governing business associations.

As these changes suggest, there is only one way out of today's predicament. Productivity must be improved substantially through continued, substantive reform.

The Price Of Taking The Easy Route

Budapest MAGYAR HIRLAP in Hungarian 13, 14 Nov 86

[Interview with Ministry of Finance Division Chief Agnes Balazs, by Maria Lakatos: "Regulatory Changes '87", Part 2]

[14 Nov 86 p 7]

In yesterday's issue we reported on the 1987 changes in the regulatory system. In this segment we present an interview with a division head of the Ministry of Finance, exploring the issue of just how the new regulations will stimulate the economy for greater accomplishments. In general: how should we view the present system in light of our 1986 accomplishments.

[QUESTION] It is important for all of us to find out as soon as possible, just why the 1986 accomplishments fell short of expectations. Many people feel that regulations motivate enterprises to withhold production, so as to enable them to bargain with [central] management. On the other hand, (and by no means is this a new finding,) the extent of withdrawals [by the state] from enterprises most adversely affect those branches of industry which have the potential of success.

[ANSMER] Indeed, there are such views. Note, however, that "regulation" is not the same as 'management," and can be equated to an even lesser extent with the economic mechanism as a whole. In my judgment, [economic] regulation is not as bad as are the accomplishments of the economy. One cannot blame legal provisions for unfulfilled accomplishments, even though I admit that regulation does not bring out the best of enterprises. We are working on new, substantial changes in the system of taxation, but until these changes are in place, economic regulation will not change. Better results could be achieved within the existing framework. This is why we are endeavouring to eliminate certain tax advantages, but we will not raise taxes, even though there is more income in the economy today than there is achievement. Two factors have a significant bearing on productivity. We are functioning under pressure: we view exports as a necessity in order to improve the external balance of our economy, even though the values of our products have plummeted on world markets. For example: the price of energy resources exported from lhingary fell to a level of 55.5 percent. Similar decreases occurred with respect to the prices of meat products and of sunflower [seed]. There is little chance for reducing our exports until such time that we can change our export profile to include more saleable goods. It is thus that the system becomes rigid, The other problem is that certain enterprises, certain trades choose the easy way out. They seek subsidies in order to assure their own survival. We may be at fault in this respect also.

Reasons For Deficit
[QUESTION] The unexpectedly high deficit in the budget suggest that these endeavours are successful ...

[ANSMER] This is true, in part. The other reason for the deficit is that less income had been generated, which in turn reduced [tax] revenues. Yet, enterprises expect more subsidies out of less revenues. The deficit has also been increased by straightening out problems in four struggling industrial fields. This year's drought has also burdened the budget. All this ends up in a faulty logic, by which those unresponsive to market forces seek subsidies, while such subsidies would further deteriorate the chances of increasing revenues.

[QUESTION] The regulation of income is one of the most complex aspects of regulation. It will become even more difficult to understand beginning next year. In spite of stringent tax rates, this year's wage increases have exceeded any expectation, moreover, last spring special provisions had to be made to control wage expenditures in enterprises operating at a loss. So far there has not been a model that would have resolved the fundamental problem, i.e. the linkeage between wages and productivity.

[ANSMER] The State Wage and Labor Affairs Office [ABMI] has already analyzed the circumstances in which excesses occurred in 1985 and found that the problem rests in the realm of wage policies. Of course, they also found that regulatory efforts were not sufficiently stringent. Quality work must be paid for, nevertheless last year's and this year's data so far serve as proof that it is not at all certain that higher wages result in increased productivity. And that higher wages will result in a choice of products that can be sold. Between January and September, average wages in industry had increased by 8.4 percent, while sales increased only by 3.4 percent. Above all, the new regulations motivate enterprises toward efficient human resource management, but the success of this endeavour rests on the issue of whether enterprises will finally re-evaluate their previous marketing policies, and whether they will sustain the aims of structural reorganization in the area of human resource management also. The regulation of wages and other actions in the realm of labor affairs endeavour to strengthen this motivating force. Alternatively, they try to establish conditions under which rational human resource management is possible. This trend can be seen in regulatory provisions pertaining to enterprises which experience reduced productivity and negative growth. In such instances, the permissible aggregate amount of wages paid out must be reduced proportionate to the reduction in productivity. The key question with respect to income regulation is whether the enterprises themselves recognize motives that would bring about efficiency in employment.

Many Exceptions
[QUESTION] Next year's economic goals will probably include not only the reduction of wage expenditures, but also the idea of putting an end to increases in budgetary deficits. Is it possible that there will be an increase in taxes, even though withdrawals (by the state) are already at an unusually high level?

[ANSWER] I would prefer to put it this way: the general level of withdrawals is high, but at the same time there are many exceptions, benefits and, of course, subsidies. We have to come to grips with this issue at last: we cannot sustain the present system of subsidies at a time when year after year new branches of industry, new enterprises count on moneys from the central coffers. Next year's reorganization [bankruptcy-related] fund will be at the level actually expended for that purpose during the current year. If, however, these limits are once again exceeded, the burden of such excesses should be borne by the enterprises.

[QUESTION] Next year the achievements in production, and especially in exports must increase. The obvious question is, however, whether the regulatory framework provides adequate incentives for such increases to the enterprises, or whether the enterprises will wait for a more favorable climate.

[ANSWER] I don't think anyone who expected less stringent regulations this year. The fact that they did not expect such things with respect to income regulation can be seen in last year's year-end wage increases. To be sure, there were many who delayed implementation hoping for even more. Next year it will not be worthwhile to withhold production because export regulations will be more balanced. The motivating factor implicit in the exchange rate has strengthened with respect to foreign trade involving convertible currency.

The Forint has been devalued; having revised the rules of socialist export, interests will be better harmonized in terms of marketing. I believe that it is not in the interest of either the economic management, or the enterprises to create artificial controversies about regulations through sharp debate. This would only distract us from the fundamental tasks involved in diligent, careful, market-oriented work. Economic achievements, responsiveness to the demands of the market cannot be replaced by regulations or by subsidies.

12995 CSO: 2500/74 ECONOMY HUNGARY

#### PLANNING OFFICE HEAD'S BOOK ON ECONOMIC RENEWAL REVIEWED

Budapes t MAGYAR HIRLAP in Hungarian 11 Nov 86 p 3

[Review by Andras Tabori: "Lajos Faluvegi's Book--Planning: Balance and Renewal"

[Text] The title of this volume could be perceived as poetic art in the field of economic policy. The title terms 'balance" and 'renewal" appear as conceptual twins. They suggest that conditions of renewal must be formulated through the establishment and the strengthening of balance. And in the reverse: economic renewal cannot be perceived or obtained without stabilizing and improving the balance. Everything else follows unequivocally from this interpretation. It conveys a system of viewpoints, a position in the public debate concerning economic policy. And this position is the same as a certain perception, according to which in our days we have no alternative but to implement the December 1978 strategic decision of the CC, as that decision has been accepted by the 13th Congress to constitute the law of economic policy. Our days: these are the days of the seventh 5-year plan-not at all free from worries and from [the reality of] falling behind. And this strategy expresses an intent by which the extent of our capacity to perform the merciless tasks presented by new trends of growth hinges on the consistent achievement of the external economic balance. In other words: [our domestic course] is tied to [our ability to] adjust ourselves to global processes, to respond to the challenge of times.

It is in this way that the epigrammatic, concise content of the title page defines the perception and the system of policy directions that is the subject of this volume. Having dwelt on the title page for so long, it is important to add that we find two numbers on that page: 1986-1990. This, of course, suggests that the conceptual focus of the Deputy Prime Minister in this volume is on the seventh 5-year plan. This is so, even though some of the selected writings discuss the experiences of the sixth 5-year plan, and others concern time extensions with respect to medium-range plans, and the possibilities and limitations of long-range planning, albeit these are being shown as indispensable. After all, the writings in this volume are indispensable to the understanding of present economic policies because both the preceding events and their continuation provides background for the analysis of the situation today.

These writings reveal the conceptual clashes that occurred in the preparatory phase of the seventh 5-year plan. But now, with last year's and this year's experiential data in hand (stated differently: having the benefit of hindsight), debates concerning plan details also appear in a peculiar light. It is known that last year's plan realization had come to a halt, and the same can be said of the fulfillment of this year's plan also. By reading this volume, however, one discovers arguments and facts that confirm with certainty that not even the coming to a halt raises questions about the obvious and proven fact that the seventh 5-year plan is indeed realistic. At issue, after all, is the fact that this medium-range plan aims at recovery from the restrictive era, and at vitality, and seeks ways to find the necessary means to accomplish that. And not even hindsight modifies the definitive priority of this program, since the alternative could not be seriously called a plan. The alternative would focus on social activities that stagnate rather than invigorate, further reduce rather than increase selective investments, and lower the standard of living rather than stabilize it. It is apparent that by utilizing the discipline of planning, the plan endeavoures to establish conditions which would unquestionably invigorate the economy and also would satisfy popular demand. Using this vantage point, one still cannot say that the seventh 5-year plan represents a compromise vis a vis popular demand. There is more to it and the issues are different. At issue is the finding of the very narrow path that explores conditions of progress in a situation forced by circumstances.

The writer frequently raises the subjective question of whether it was optimism or pessimism that characterized the planners. "In recent years society has more than once accused planners of excessive pessimism," said Lajos Faluvegi in Parliament, May, 1985. "In the end, real life proved our plans to be optimistic. This just strengthened the planners' concern according to which one should not give in to the seduction of excessive optimism." Considering the 1985 record and this year's experience one can say that the plan did not become a victim of seduction. Not even the stagnation we have witnessed has changed this fact. To find the causes of stagnation presents yet another different question, and perhaps this is the most important question of our days. But the search for causes would transcend the conceptual framework of this review. Suffice it to say that irrespective of the causes of stagnation, the projections of the plan that have been approved by the 13th Congress can be proven to be valid. They can be proven valid not because the projections had gained the force of law, but because the analysis of both the international and the domestic processes proves that one cannot think of an alternate projection which, together with the modifications incorporated into law, could become the centerpiece of our activities.

The book also presents an inside look at the processes. This demonstrates that the planners had indeed counted on the unfavorable situation that has evolved. This being a medium-range plan, the planners showed various alternatives to society. And even though in the end it was the so called base plan that became the law, the planners did prepare plans founded on more favorable as well as less favorable scenarios. It is the latter kind of plan that approaches reality.

The planners' foresight does not diminish the enormeously significant obligation for society to meet the requirements of the base plan, or more optimistic variations of the base plan. But this kind of "maturing" process must not mean the "planification" of needs that are removed from reality. Fundamentally we are talking about a historic responsibility which makes it the No 1 national priority to establish foundations for a set of conditions that make it possible to catch up with world-wide technological development. In this volume we may read about a parliamentary debate concerning the seventh 5-year plan which brought to the forefront the verifiably just concern over the projected rate of growth: will it provide a sufficient foundation for keeping pace with these global trends, or will they constitute a separation from the leading edge-will our economy fall behind? Even though this concern is not at all unfounded, the plan defines not only the realistically expected rate of growth, but also provides break-through points which would make it possible to establish conditions and foundations for keeping pace with the global trend through selective development. The reader is being increasingly impressed that the practice of plan-fulfillment, the conditions of progess should perhaps be elevated to the same high plateau where goals are being spelled out in the plan.

In lieu of a closing note the author presents thoughts concerning the seventh 5-year plan-we could say of its after-life. Doubtless, our experiences with regard to the plan are nouveau and by no means favorable. In summary and as a lesson, it would be useful to quote just one thought from this chapter: "It would appear that as of lately, the most important considerations have shrunk into the background. These are issues concerning implementation, responsible management and work. We sorely lack dialog and organization in this respect, both of which could carry this issue forward. For this reason it is very important that management as well as everyone charged with implementation be guided by better intentions."

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EXPORT-IMPORT CONTROLS, TECHNOLOGY TRANSFER DISCUSSED

Bucharest REVISTA ECONOMICA in Romania No 38, 19 Sep 86 pp 5, 6,21

[Article by Dumitru Simion]

[Text] Broadening international economic relations under the conditions of the modern scientific-technical revolution means carrying out an intense trade of ideas, presently called the "transfer of technologies," along with the trade of goods.

Analyzing this characteristic of our age within the 3rd congress of workers, the party's secretary general, Comrade Nicolae Ceausescu, stressed that presently the decisive role in world competition is being played by the development and possession of modern production technologies and techniques. Only through world scientific-technical collaboration with all states and through one's own sustained effort in the activity of national scientific and technical research can the present trend of specialization of world trade of some countries as suppliers of traditional goods and others as suppliers of technologies be counteracted. Maintaining a technological balance and simultaneous operation as the exporter and importer of technologies means adapting certain structures conceived for traditional trade in order to take over new tasks in the area of the trade of ideas, starting with more clearly defining the specific goals in the statistical and planning system and up to promoting the achievements of Romanian science and technology during the international congresses, which are markets for ideas.

Stressing the role of science as the direct production force, in his speech he pointed out:

"The new stage of development of Romanian society requires as an objective need that all production be based on the newest achievements of science and technology, with this being the decisive factor for asserting the force and superiority of socialism and for Romania's active participation in the international division of labor."

An analysis of the particular features of this kind of trade--with technologies-in one central of the machine-building industry has permitted formulation of proposals of practically immediate interest in further developing this new area of our international exchanges. Actively concerned with asserting Romanian science and technology in all aspects of social-economic life and original scientific-technical creation. Romania is giving special attention to extending and deepening international collaboration in this area with all states. Currently Romania maintains relations in the scientific-technical area with 75 countries on all continents. In the 1981-1985 five-year plan Romanian specialists, in cooperation with other countries, participated in carrying out 1,850 research goals. The value volume of export activities and technical assistance of the scientific research and technological engineering and design units rose 2.2 times in 1984 compared with 1980. This proves the growing interest shown by foreign partners in the scientific research activity we are carrying out in Romania and the prestige enjoyed by the achievements obtained in this area. At the same time a transfer of technology incorporated in machinery, installations and equipment is being carried by our foreign trade with these products.

#### Structure on Forms of Transfer

Within the international transfer of technology through contracts, Romania mainly is practicing the following important forms: sales and purchases of patents, licenses and know-how, operations of technical assistance and engineering, technologies incorporated in complex exports.

Analyzing the structure of the Romanian export of technology, we see that it is being carried out as follows: 47.85 percent as technical assistance and enginering, 37.94 percent as studies, designs and documentations and just 11.56 percent as know-how and 2.65 percent as licenses and technologies incorporated in complex exports. Large percentages in total Romanian exports of technology are held by oil and ore extraction—29 percent, chemistry—27 percent, machine building—10.6 percent, transportation and telecommunications—10.1 percent.

A high form within the transfer through contracts is the international transfer of technology through cooperation. Participation in Romania's actions of scientific-technical cooperation is carried out in conformity with our foreign policy, based on respect for national sovereignty and independence, full equality of rights, noninterference in domestic affairs and mutual advantage. In Romania's view, the broadening and intensification of scientific-technical cooperation should correspond to a greater and greater extent to the needs for accelerated growth and modernization of production forces, should facilitate the transfer of technology and unhindered access to the achievements of modern science and technology and should contribute more and more to utilization of one's own scientific creation and development of the national economy, to reducing and, in the end, to eliminating the differences between the developed and developing countries.

The main goals of scientific-technical cooperation are to increase the potential for reserves of raw and energy materials, to have superior utilization of them, seeking that the actions of cooperation contribute to speeding up the drawing of new energy-bearers into economic circulation, to assimilate new sources of energy, to improve existing technologies and work out new technologies directed toward utilization of natural resources, reduce specific consumption of raw materials, materials, fuels and energy, and to assimilate unconventional methods of processing in machine building; to create new products and assimilate synthetic substitutes for scarce materials; to increase agricultural production, and vegetable and animal production (creating new types of grains, crops and breeds of

animals); to protect the environment; to improve transportation and telecommunications; to utilize inventions and other results of Romanian research and development abroad.

In its activity of international cooperation in the area of science and technology, Romania is promoting a diversity of forms intended to provide for carrying out specific actions which correspond to mutual interests.

#### Areas of Interest for Cooperation

Among the forms of international scientific and technological cooperation promoted by the Romanian side we may mention the following: jointly carrying out programs of scientific research and technological development, bearing in mind the prospect of finalizing them at the industrial scale, including the commercialization of products obtained following the cooperation in partner or in third countries; jointly creating laboratories, pilot stations, institutes, joint companies in the activity of scientific research and technological development; the creation of temporary research collectives with specialists from two or more countries which are carrying out activity in conformity with the programs and material conditions and financial conditions agreed on; transfer on the basis of reciprocity of scientific, technological and industrial knowledge as well as the development or utilization of patents for inventions belonging to one of the partners; actions of cooperation for the development of the material base of scientific and technological activity (use of laboratories and workshops, experimental centers and so forth) with a view to creating conditions for carrying out future joint activities in the area of scientific research and technological development; jointly carrying out studies and designs of mutual interest, including for third markets; giving and receiving scientific and technological assistance.

Outside utilization of our own scientific-technical achievements is regulated in Romania by Law 64/1974 on Inventions and Innovations.

The utilization is carried out on the proposal of those holding the patents, with notification of the central research institutes, academies of science or research and design institutes through the export of products, installations and technologies, the mutual exchange of licenses and through cooperation, respecting legal provisions. The utilization of original technologies included in the exporting of products, machinery, equipment and installations holds a big share of these forms.

#### Penetrating Forms of Export

Of course, placing the export of licenses, patents, know-how, designs and studies in the same place as the export of products, machinery and the actual equipment we obtain certain advantages. But in this formula the Romanian export of technology has been distributed in no less than 18 foreign trade enterprises, each of which is primarily concerned with setting up the production of goods built by the production enterprises on the foreign market, since this has the value percentage in the indicators of plan achievement, with the economic-financial results for the enterprise and for its workers collective. For this reason, in practice the enterprises do not always give proper attention to the "export

of intelligence," with this in some cases being treated on an incidental basis, without there existing a systematic approach, according to a well-substantiated program of action, with strategies established for various partners and markets by specialists in the transfer of rights of intellectual ownership, patent engineers and so forth.

The present organizational form of export of scientific-technical knowledge could be improved, in my opinion, by removing from the activity list of the 18 enterprises of foreign trade the export of licenses, patents, know-how, designs, studies and so forth, and concentrating this activity into a single department to a foreign trade enterprise, for example, Romconsult, which would receive an export plan or by creating specialized departments in the ICE or ICSIT. In this way the responsibility and concern for utilizing the results of Romanian scientific research for export would increase.

Protection of the Importers' Interests by Law

Like export, the import of technology, in conformity with the law, is carried out also by the 18 foreign trade enterprises. And this activity could be concentrated in a specialized department of these enterprises in order to better fulfill the legal provisions which specify the fact that "The ministries and other central organs are to seek that the obtaining of foreign licenses be carried out predominantly by exchanges with Romanian licenses within the exports of products, installations or technologies as well as on the basis of delivery of products for which licenses are obtained."

As a result of the last 20 years' application of plans for Romania's economic development with a view to creating a modern industry, along with its own research, Romania has imported a number of licenses and technologies. During negotiations, particularly with firms from the developed capitalist countries, the Romanian foreign trade enterprises have been confronted with the limitations and restrictions which they intended to impose by contracts, with payment conditions which sometimes have been unacceptable. Due to the good training of our representatives and the Romanian side's negotiating power, many of the abusive practices in the overwhelming majority of contracts have succeeded in being counteracted. Among the restrictions imposed by the partners, particularly in the area of machine building, the ones met most frequently in the contracts are territorial limitations in the exporting of single projects. Territorial restrictions also have been provided for the exporting of products incorporated in complex installations, the requirement to pay dues for export, making the products licensed be a condition for license of acquisition and so forth.

A study made on 23 contracts of license concluded in the 1961-1981 period in the area of machine building, the great majority with applicability in the enterprises of the Bucharest Industrial Central for Energy Equipment, brought out the frequency and type of restrictions required by the licensing firms through contracts. From the study made we see that of the total 23 contracts, all 23 provide for restrictions on the exporting of projects licensed for the period of the contract, these restrictions are provided in 6 contracts for a limited period following expiration of the contract, while the restrictions remain for an unlimited period of time in a single case. In 4 contracts surrendering of the license is conditional upon the acquisition of products licensed at the same time. In this way the firms increased their return, both by the price of the

license as well as the price of the product sold. The validity of the contracts is included between 10-15 years, with longer periods being provided for the more complex equipment. For the majority of contracts the payment was agreed upon to be made by a uniform amount added to which is a percentage included between 2-5 percent for export. By law the beneficiaries of licenses are required to ensure the introduction of the products acquired into manufacture, as well as reaching a certain degree of integration within the terms established by notes of substantiation and notes of contract order. Despite this, there are some contracts to which, in the assimilation process, are recorded delays of between 2-3 years, with negative effects on production. With regard to degree of integration, this was also achieved in the majority of cases exceeded, which means that the currency effort to buy certain components is reduced.

From what has been presented as well as from the experience of negotiations of the foreign trade enterprises, we see that the current legislative framework also could be improved in the area of acquiring licenses. In this regard we feel that the following proposals which we place before the specialists could be made:

By normative act, establish that payment of licenses should be made by dues applied to the volume of production (measured in quantity) and not as a uniform amount, as has been practiced until now. This is because the partners request highly exaggerated uniform amounts, thinking that the license could be applied to a much larger volume of production than actually obtained;

By law, establish a maximum level of dues which may be accepted by the Romanian side (2-5 percent), according to the degree of complexity of the product, as exists in other laws of some countries or groups of countries;

Also by normative act, establish around a 3-5-year term for validity of the license contract, a period after which any of the purchaser's obligations would Cease.

Adopt a normative act which would define both the detailed content of the documents being worked out with a view to acquiring a license as well as the interval of time during which the notification organs must provide notification, that is, observations.

The note of substantiation which justifies the need for acquiring a license should contain a general presentation of the situation of development of the product or particular technology on the world market and the advantages of assimilating it in Romania and making a listing of the projects for which it is intended. The proposal is based on the fact that in this stage sufficient data is not held, nor are the supplies of the specialized firms. The note of substantiation worked out thus is to be sent by notification in conformity with the legal provisions while, following approval, prospecting of the foreign market is to follow.

Contract order note should be preceded by a "Comparative Study of Supply," which, among other things, should contain a technical and economic comparison of the licenses offered on the basis of technical appendices drawn up by the offering firms, with justification for acceptance or rejection of some of them.

This study is to be decided upon by the institutes of research and specialty design and is to be approved in the leadership council of the ministry benefitting from the license. On this basis, the commercial-legal treaties are to be carried out with the firms kept in the competition;

The contract order note should contain the conclusions of the comparative study of supply, a presentation of all data connected with assimilating the license in Romania (necessary materials, services, labor force, imports to complete them, schedules for assimilation, degrees of integration, opportunities for placing them for export and so forth) as well as presenting the commercial-legal clauses of the supply left in the competition and negotiated. Decision of the general organs follows to be obtained for the contract order note.

Since the contract order note is a rather voluminous document, with a view to approval for acquisition of the license, it is useful to draw up a "note of presentation," which would contain in concise form (3-4 pages) the main elements and conclusions of the contract order note, including future observations of the decision-making organs. On the basis of the approval obtained, final negotiations and contracting of the license follow.

These completions would improve the method of acquiring technologies, would increase effectiveness in obtaining the necessary decisions, since the route proposed is established in a critical manner and it would increase exactingness in approval of imports. In completing these measures we should also keep in mind increasing exactingness in acquiring the results of scientific research from abroad, since the import of equipment, apparatuses and machinery, technologies and licenses not only does not exempt us from research but means a sustained activity of integration into the technological environment of the beneficiary and keeping it at the level of world technology and, of course, its continued improvement. Limiting the import of technology to what is strictly necessary and stimulating our own scientific research have very important effects on the national economy, starting with ensuring rates of economic growth up to the balance of foreign payment and Romania's efficient participation in the world exchange of values.

Frequency of Restrictions Imposed by Licensing Firms and Included in Some Contracts Concluded with Enterprises in the Socialist Republic of Romania

Leng	th	of	restr	iction	(Z)
		-		20000	1 70 /

		Frequency of restriction(1)	For period of contract	After expiration for a limited period	After expiration, un- limited in time
	ber of contracts studied	100			
	quency of restrictions: For exports of license projects	100	23	24	4
1.1	Territorial, for projects incorporated in complex installations	17	17	13	
1.2	Territorial, for single projects	73	73	17	-
	Export conditional on use of products in certain isntallations	21	21	00100	-
1.4	Export conditional on level of price/item	4	4		
1.5	Quantitative limiting of export				
1.6	Obligation to pay dues for export	40	40	4	Garage .
2.	License conditional on acquisition of licensed products at same time	17	17	-	
3.	License conditional on acquisition of other licenses and sublicenses	9	9		
4.	(Indirect) limitation on technical assistance given by seller through imposing of taxes	26	26	60-90	0.9
5.	Obligation to keep secret the docu- mentation of technology licenses from third parties outside SRR	100	100	44	4
6.	Obligation to get prior agreement from seller to apply changes ini-				
7.	tiated by purchaser Seller's unilateral right to suspend or cancel contract if buyer violates	30	30	6-6	-
	certain provisions	13	13		-
8. 807 CS0		4	4		
COL	6/00/09	. 4			

ECONOMY

PLAN TO IMPROVE SELF-FINANCING OUTLINED

Bucharest REVISTA ECONOMICA in Romania No 38, 19 Sep 86 pp 7-8

[Article by Bogdan Padure]

[Text] The program on improving the system of financing and crediting economic activities and financial-economic standards seeks to strengthening self-financing so that each unit can provide for total financing for the most part from its own incomes, radically reducing resorting to bank credit. As Comrade Nicolae Ceausescu pointed out: "We have decided to move to strengthening the principles of self-financing. We have in mind bringing about an intensification of production, in order to shorten the manufacturing cycle from the entrance of raw materials in the units up to the production-good and utilization of it, We have established new standards for production stocks, for unfinished production and unsent production-good. Generally we have in mind a general inprovement in material and financial circulation, a rise in rotation of monies and currencies, which are important factors in stability and economic efficiency." We see that the activity of each enterprise must be definitively included in the coordinates of quality and efficiency in order to have complete fulfillment of the provisions included in the program.

Making evident the interconnections and close dependence between quality of products, efficiency of activity and self-financing is facilitated by having each of these concepts enter the area included. As we know, the concept of quality aims primarily at the extent, the degree to which the values of usage satisfy various requirements of society, corresponding to their intent. Economic efficiency generally is understood as a relationship, a ratio between the results or economic effects obtained and the expenses of resources and efforts made to obtain them during a certain period. Finally, self-financing may be seen as the enterprise's ability to pay back in the shortest possible time the resources received from society and to establish from internal sources its own capital for economic development and for other purposes—social, cultural and so forth.

The direct interconditionings become clear. Achieving a high quality brings faster rate and size of sale of production good; thus, obtaining net income, planned profits and, thus, increase in the economic unit's ability for self-financing. Growth in economic efficiency and concerns with maximizing it contribute doubly to strengthening self-financing: on one hand, they increase

net income and, on the other, they reduce expenses of resources, broadening the possibilities of the economic units for paying back as quickly as possible the resources received from society and establishing their own economic development capital and capital for social-cultural purposes. We feel that the implications for consolidating self-financing on quality and efficiency of production are no less interesting and useful to be explored. The strictness imposed by providing for strengthened self-financing clearly makes an important contribution to increasing the products' quality and degree to which they satisfy various requirements of society, corresponding to their purpose. In order to have self-financing the unit must sell the production-good completely and as quickly as possible; in order not to be tied up in stocks above the norm and to be purchased, the products built must fully correspond to the beneficiaries' requirements, that is, be of the highest possible quality and be as competitive as possible. Also, when the capital needed for financing is from their own resources, they may be managed more solidly, distributed more regularly and better oriented toward existing priorities, which has considerable positive effects on the increase in quality. Broadening of self-financing in turn also strengthens efficiency. The profit of the enterprise which finances itself is larger by that portion until now attached to paying interest on the credits taken from the bank. At the same time, efficiency increases to the "macro" scale: financing itself. the enterprise no longer requests credits (or does not request them at a high volume and for such long periods as until now), which the banks and society can utilize with high efficiency in other sectors, in conformity with the plan provisions. Of course, the interconditionings like those shown are more numerous, more complex and, why not, even more subtle. However, we shall dwell on the ones shown earlier, which we feel militate sufficiently strongly to place quality and efficiency at the basis of strengthening of self-financing.

Under the conditions in which concerns and actions are intensifying throughout the economy to have complete application of the provisions included in the program on improving the system of financing and crediting of economic activities and economic-financial standards, in light of the considerations listed, it is clear that major importance in the process of strengthening self-financing must be given in each economic unit to the measures and actions capable of raising quality and increasing efficiency.

1. Special attention must be given this year and this five-year plan to the measures capable of leading to a growth in efficiency of investments and of fixed capital. In this regard, all the factors involved in the investment process must concentrate their concerns on modernizing machinery and equipment and on supplying the existing capacities with the most advanced technology for good management with the maximum efficiency of investments, for reducing their cost and increasing the efficiency of each leu invested, for decisively rejecting new construction and directing capital toward modernizing machinery. Special attention in all units must be given to respect for the provisions, not to include in the plan investments and not to acquire new fixed capital except under conditions in which achievement of the economic-technical parameters provided in the technical books is ensured and except if the available areas in each unit are utilized fully. We should not forget that increasing production by entering new capacities into production requires not only investment capital but also a relatively long time to build them, as well as additional labor force.

In this framework, what is striking is the requirement that action be taken in all places of work with high exactingness and responsibility to have full inclusion in the improved standards for production which must be obtained per 1,000 lei fixed capital, utilizing all production capacities existing in the enterprises at high parameters. Ensuring achievement of the established standards, together with broadening concerns for continually raising the qualifications of the workers, requires increasing exactingess for timely and quality repairs of fixed capital, together with modernization of them.

2. Raising the efficiency of using circulating resources is another priority in increasing efficiency in general, bearing in mind that savings of material and monetary resources, reduction of costs and rise in reserves for increasing production are provided in this way. In reaching this goal, the actions carried out must proceed from providing for a supply in strict agreement with the improved standards of consumption and stock. Along with as exact and detailed a knowledge of the provisions of the production plan for the next year, they must be at the basis of making the need to be supplied a sensible and scientific size. Of course, added to all this must be the "active" attitudes of the beneficiaries for intervention with the supplier to provide a steady supply of production with the necessary raw materials.

Eliminating overproductions of any kind must be in the center of attention. Just as important is also the concern with preventing their appearance, bearing in mind that this year there still have been some enterprises where, as overproduction was being eliminated, others were taking their place. In this regard a greater role must be played by intensification of economic-financial checking of strict inclusion in the consumption and stock quotas in each enterprise. Much more consistent and effective action must be taken everywhere to respect the timetables for eliminating overstocking in the proportions established by the normative acts in effect. What should be remembered is that the economic units should not be placed in positions of awaiting intervention of other factors to their aid in the action of eliminating overstocking and preventing this, but rather should adopt an active attitude to eliminate tie-ups of any kind. Along with strengthening preventive checking, in this regard action must be taken so that all the production obtained should have at its base sales contracts, should be delivered on schedule, should provide conditions for substantially shortening the time it takes for the loading-unloading-transport operations and receipt of raw materials, of course, without prejecting in any way the demands for quality. Added to the units' own efforts must be much more intense actions of the supply bases and industrial centrals and of the economic ministries for taking over, redistributing and using as fast as possible all the overproduction. In this context, we favor the opinion on the need for intensifying concerns with achieving an information system capable of offering the necessary information to the decision-making factors efficiently and on a preventive basis so they have a thorough knowledge of the size of the stocks, appearance under or over the quotas, and determining causes, in volume and structure, by economic units, in the territorial plan and at the national level.

No less important is the exactingness with which each unit as beneficiary and suppliers must approach the problem of speeding up discounts, providing for liquidity and solvency, and ability to pay. For this the production-good must be manufactured at a high level of quality and delivered in conformity with

terms of the contract. We must fight the practice of delivering incomplete and unsorted products, in an order other than the one requested by the beneficiaries or according to timetables differing from the contracts, so that all this may constitute well-founded refusals to honor payments. Finally, we should remember that to aid acceleration of discounts the banking organs should intervene much more actively to resolve or prevent refusals of payment and speed up circulation of capital.

3. In the process of increasing quality and efficiency, production is an important element. Speeding up the introduction of technical progress and the results of scientific research in practice makes a basic contribution to increasing the value of usage and value of production and to increasing the enterprise's net income and to raising efficiency. That is why for consolidation of self-financing a basic requirement is to broaden efforts to have complete fulfillment of the programs to modernize production and continually improve their organization, to have emphatic growth in labor productivity and to substantially reduce production costs. What is particularly important to establish their own resources needed for self-financing is that the exigencies mentioned earlier should be satisfied under conditions of obtaining physical production in the quantities and structure by variety as provided in the plan and the contracts, at a high level of quality and efficiency. Actually the problem of increasing productivity and reducing costs is inseparable from the problem of ensuring and raising quality, in the view of true efficiency.

In this framework a central problem in each enterprise should be complete fulfillment of its programs to raise the technical-quality level for each product and group of products. At this time we bring out the obligation of maximum responsibility that regular analyses of the stage of fulfillment of these programs should be made in each enterprise and central within the collective leadership organs. Even if the schedule provided for these analyses is a monthly one, we feel that concerns of this nature should be permanently in the attention of the decision-making factors and each working person. At these times the measures included in their own quality programs should be brought up to date in proportion to the evolution of production conditions. The usefulness of following up on the way that the planned measures are carried out with the aid of special diagrams has been proven in the enterprises with special results in the area and this is a good experiment which should be generalized. In these units, the provisions of the quality programs have been layed out by organizational subunits of the enterprise, by sections and shops, by operating departments which affect quality and they have not been viewed as being the exclusive task of technical quality control.

Bearing in mind that an urgent requirement for speeding up the circulation of the enterprise's capital is flexible and efficient adaptation of the structure of production to the evolution of the beneficiaries' request, a continually current action must be the completion and bringing of the banks up to date on the technical and economic information for similar products in Romania and at the world level. And, on this basis, the industrial centrals and ministries must become more actively involved in applying within the programs to raise the technical and quality level of products some basic solutions (accelerated renovation of products, their redesign and modernization, and diversification of varieties), capable of increasing the contribution of research and their own design to obtain products with high technical-operational parameters and with high efficiency.

Finally, we cannot help but bring out the special care which must exist for strengthening quality control, particularly its active and preventive nature. For this purpose there is a need for greater initiative for broad promotion of modern control methods, improvement and permanent completion of all the techniques of control, providing for continued broadening of the enterprises' supply with testing stations, with measuring and control means, at the level of the programs worked out in this regard. On the basis of the good experience accumulated in numerous enterprises in Romania with special results in obtaining products of a high technical and quality level, which are competitive and efficient, we feel that the responsible factors in each unit should take more sustained action to integrate all the control activities existing in various phases and stages of the production process within the system which ensures quality. The system to ensure quality joins together in a unified concept the problems of ensuring quality from the control of documentation and verification to the receipt of raw materials, to verification of the precision of production resources, to the activity of laboratory testing, checking along the flow and, finally, reliability and behavior during operation, analysis of quality and methodology.

The considerations presented in this article bring out the need that, in the process for consolidation of self-financing and self-management, action be taken in all the economic units with exactingness and greater responsibility to have complete achievement of production with high quality and efficiency, so that the resources are utilized on a high level. Quality and efficiency are two basic "pylons," two "lines of force" of the new economic-financial mechanism in action and of self-leadership, seeking that dialectic which make us find it at the same time in their louble hypostasis as stimuli and effects of self-financing and self-management.

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CSO: 2700/72

YUGOSLAVIA

#### ECONOMIST HORVAT DISCUSSES ECONOMIC REFORMS UNDER SOCIALISM

Belgrade PRIVREDNI PRECLED in Serbo-Croatian 1-3 Nov 86 p 3

[Interview with Dr Branko Horvat, professor, by Gordana Buncic: "We and They"; date and place not given]

[Text] In our postwar development we have had three economic reforms-1952, 1968, and the last one-the Long-Range Economic Stabilization Program. Assessments of their results may vary, but it is an inevitable conclusion that the last two never got past the very beginning. Perhaps the reason for this is that urgent changes represent a greater step than those initial ones; they demand more; and perhaps after the war we had more enthusiasm and more determination to make changes, or perhaps it is because the material interests of a major portion of society in the postwar period encouraged a search for new development strategies.

The fact that the reforms were nevertheless proposed suggests the conclusion that practice has imposed demands for new and better solutions. That being the case, why is it so difficult to carry out the proposals? We talked with Dr Branko Horvat, professor, about our own experiences and those of other socialist countries, especially China.

[Question] Professor Horvat, one hears quite often assessments to the effect that economic reforms end in failure in socialist countries. Would you please comment on opinions of that kind.

[Answer] If we make an exception for the reform in Hungary, all the others have failed over the last 10 years or so. This is no accident, since all those reforms left untouched the source of the difficulties in those countries, and that is the statist system, which can function for a time, and it is fairly appropriate to a very underdeveloped country as the Soviet Union was from 1917 up to World War II. But when a country reaches a certain level of material development, culture, and education, which is to say a certain complexity of the social structure, and so on, then the statist system begins to produce poorer and poorer results and becomes a barrier to future development.

All the Eastern countries are in that situation today. What has been achieved by the reform in Hungary represents the greatest possible progress in both theoretical and experimental terms. That is something substantial. That

economy functions relatively well on a world scale, but that is quite inadequate by the standards of a socialist society. Therefore, if someone wants to put the question, as often happens, as to the fate of the reforms in the Eastern socialist countries, the answer would be the same. Unless there is a change in the political system, success will be limited.

[Question] To what extent can the institutional arrangements and solutions as to property instituted by the Chinese reform be compared with our own reform? To what extent are the results of change in China the result of cultural and historical conditions and to what extent the result of creations brought about by the socialist system?

### The Tendency To Open up

[Answer] First of all it should be said that the Chinese situation and our situation today are not comparable. Their reform today should be compared to our reform in 1952, and here the analogies and similarities are quite striking. Of course, not in the sense of institutional copying, since the Chinese have not incorporated self-management into their constitution, nor is there any law on workers' self-management, but there is a general orientation toward opening up society, toward stimulating the initiative of individuals and groups, toward experimentation with various forms of institutional and other solutions in correcting the economic and other problems. This is what is characteristic of Chinese society today, and that, of course, was also characteristic of Yugoslav society in the decade beginning in 1952.

At that time Yugoslavia was achieving the fastest economic development in the world; the growth of the social and individual standard of living was especially rapid, and in the last 5 years of that period, from 1956 up through 1961, it had one of the fastest growth rates of agriculture. The same things are happening today in China. A truly spectacular growth of agricultural production has been achieved, hunger has been effectively eliminated in the country, I billion people have been fed and clothed and furnished housing, educated, and offered a civilized life; this is simply an amazing success when you compare it to third countries, especially India, which is closest in area, population, and history to China.

The reforms taking place in China today are with respect to certain technical and other solutions identical in their direction to those of Yugoslavia--reliance on the market, not in abstract terms, but involving a withdrawal of the government into the rear, production processes left to direct relations among business partners on the basis of their own initiative, and technical solutions are now being sought. We sometimes find that some of them seem naive: for example, the experimentation with stock in a stock market.

Attempts have been made to introduce stock in several places in order to give workers the largest possible incentive to look upon their own enterprise from the owner's standpoint. In my opinion this is the wrong approach and will not yield the results expected of it, but that is not the essential thing; the essential thing is that they are open to every line of argument.

In the light of the information we have about the Maoist period, it seems to us an incredible fact that all the taboos have been abolished. Every problem can be discussed, and if some good practical solution emerges, there is every chance that it will in fact be applied. In the Chinese approach, when it is compared to our own, there is a difference which is probably the consequence of their culture which is thousands of years old (since Yugoslavia has been in existence a shorter time than an average human life), and there are differences in behavior. The Chinese are experimenting at many points, while in our country instead of those individual and regional tests, every few years we turn the entire body of legislation upside down and in that way have been creating a chaotic development that today it is difficult to get out of.

#### Frontiers

The Chinese seem to be making mistakes much like ours. One of the most dangerous ones was caused by neglecting the political reform, so that it seems that what happened to us is also happening to them: When the economy took off and when production began to speed up, we were so content that we devoted all our attention to regulating production, and we forgot that economic development must be accompanied by adaptations in the area of the political system. This ultimately took revenge on us, so that today that political system is the principal barrier to the further development of the Yugoslav economy.

The Chinese face the same danger. During my visit to that country I took advantage of my modest opportunities, whenever I had occasion, to talk and to call this to their attention.

[Question] Is the reform in China an integral process, or does it merely consist of experiments, as one might perhaps conclude from what you have said so far?

[Answer] It is not a reform, it is the beginning of a number of reforms of which even they themselves are not yet conscious. Much like we were when we started out with self-management. Few people in the country had an idea about all the consequences that would come, including development of the market economy, the institutions of that economy, a different approach to planning, and so on. In order to be better prepared to meet the future, the Chinese have been sending people all over the world to get their education-from students to members of the academy-and they have been going to those countries which are of the greatest interest to them. I have come back from America, where my colleagues said with amazement that they have 10,000 Chinese students there. This shows the extent to which the present regime feels confident with this orientation it has adopted, by contrast with those stories about the danger of ideological contamination, about exclusiveness and prevention of inroads by the decadent West. They are quite confident that no one can harm them from outside and that only they themselves can cause damage.

[Question] China's development up to now has been based on the forced development of agriculture. Along with the neglect of industry, this could result in a quite large demand for industrial goods, which ultimately would mean that they may also anticipate inflation as a problem.

[Answer] They have created a long-term basis for development not only of industry, but of the entire society down the road by building a sound agriculture. As far as inflation goes, matters stand like this: They are gradually managing to satisfy certain sectors of personal consumption, and that is obvious. For example, they have met the entire demand for bicycles. This is no small matter, since today in the eastern part of China, which is more highly developed and has between 300 and 400 million people, every family has a bicycle. In Peking alone there are 7.5 million bicycles. It is as though they were producing for all of Europe. We must always think in these terms. They have met the need for radios, for black-and-white television sets, and they are approaching satisfaction of the need for color television sets, and in certain categories of refrigerators there is overproduction, since the population is slowly moving to other models of this product. The disproportions that exist in meeting the demand of the public are being overcome rather rapidly. I do not say that the problem of inflation will bypass them, but it will not be caused by surplus demand in rural areas, but because the planning mechanism and still more the financial mechanism-has bugs in it. This is still functioning rather crudely. They do not have experience in this, and they will naturally make mistakes in regulating such an enormous economy and in getting the market to function without great disturbances, and the result will be inflation. Yet I think that this is not disturbing. That inflation is on the order of 10 percent, and suppose that it goes up to 15 and 20 percent over a period of a few years, that will just drive them to solve more rapidly the problem of the distribution of national income and personal incomes, which now at the moment are a barrier. They are inherited from the previous period of leveling; people no longer accept that, since they think that remuneration according to work was not implemented, but rather it was according to certain imagined categories. In case of inflation they will have to give some thought to ways of bringing income into line with the rise of prices.

Basically, I do not see any fundamental problems facing the Chinese economy; I see a number of technical problems and a problem of personnel. They simply do not have economists. The people I talked to do not have the necessary technical knowledge to overcome these problems. The results on the production of grain, the national income, and such things are arrived at with errors of  $\pm 10$  percent. That is altogether unacceptable.

We Know the Answers, But We Go About It the Wrong Way

[Question] Is there any experience that we could take advantage of in carrying out our reform, something that would speed up our emergence from the crisis?

[Answer] I doubt that there is any experience that we could take over today. I have mentioned one—do not enter into a reform like an animal getting into the strawberry bed, but first make thorough preparations, conduct local experiments, do the scientific research, hold theoretical conferences, and so on. When we are quite certain of the results, then undertake the normative preparation of the reform, along with mobilization not only of the government apparatus, but also of the best scientific potential. What happens in our country

is that the Federal Economic Council adopts a decision to the effect that the proposed version of a law on prices, for example, is not acceptable, that it will cause immense damage and is counterproductive, that the results will be the opposite of what the sponsors say, and yet the Yugoslav Assembly passes the law the next day, and no one has informed the delegates about the conclusion reached by our economic council. Let us take this example. This year the first packages of measures which were adopted were met with sharp criticism from economists. That is, it was said that not only would this not reduce inflation, it would increase it, just the opposite of what the government told us when it cut interest rates back 50 percent and expected that inflation would drop 50 percent by November. You see that it is headed toward 100 percent.

[Question] How successful have our reforms been up to now?

[Answer] It is not true that none of our reforms has been successful. The first reform, the one in 1952, succeeded beyond all expectations, and that was because we adopted the right institution at the right time, and that was selfmanagement. It carried everything with it. All the rest was a matter of technical arrangement. Nor were we altogether unsuccessful with the subsequent reforms either. Take the idea of global proportions, which emerged in the mid-fifties and was incorporated into our plan covering the period 1956-1961 together with the idea of cooperation in agriculture and the small-scale reforms which accompanied that. Do not forget that this is the only 5-year plan which was fulfilled in 4 years. We had another reform, which did not succeed as a reform, but its aims were basically good. This is the one in 1965. failure can be explained in terms of the poor technical preparations; the best personnel were not recruited, but rather the effort was carried out by the government apparatus and a few people who agreed to everything. This reform had a good orientation--toward the market within the economy, toward aggressive exports, and the capturing of foreign markets on the international side, and toward democratization in the political sphere. This is the most correct possible orientation both at that time and today. It is a pity that because of poor technical preparation that orientation was a fiasco and was replaced by an opposite orientation after 1972--in the direction of exclusiveness, regionalization, a strengthening of the repressive role of the state. In short, a return to statist elements which have only speeded up this crisis we find ourselves in today.

### Where Is the Key?

It is not any sort of sensational discoveries in economic solutions that we need today. They are well known. Economists have been proposing them for 10 years now, and I think that there is not much disagreement here and that it would be correct to say that Yugoslavia's economists are unanimous in their opinion of what should be done. The problems arise in carrying out the conclusions. The Long-Range Economic Stabilization Program is the best illustration. It is not perfect, it contains quite a few compromises, but it is basically correct and constructive. It ought to serve as the basis for an aggressive and effective economic policy as soon as it is adopted by political authorities. We know that it did not serve as such a base, that it was never

even elaborated in operational terms, and that what was elaborated was not applied. The reason lies in the impossibility of making political decisions. The blocking of any serious reform in our country did not arise in the economic sphere, but in the sphere of politics. This is well known, and I am not discovering any new things; that is why the Commission of Social Councils for Reform of the Political System was formed, and we know what happened. Instead of a reform of the political system, we got a document in which it is preserved with a few cosmetic improvements. This has acted as a brake on the reform of the political system and thereby of the economic system as well.

[Question] What is the key link that binds together the reform of the economic system and the reform of the political system?

[Answer] I would say that this is radical democratization of our political system. I did not say radical by accident, since self-management is the kind of solution in the economic sphere for which conventional bourgeois democracy-freedom of the press, freedom of assembly, freedom of speech, and so on-is an inadequate partner. That bourgeois framework must be exceeded if equilibrium with self-management in the economy is to be established by political democracy. It is clear to me that a country without democratic traditions like Yugoslavia, a country which has not had its own state, even though certain democratic traditions did exist, that was in the framework of other states, not our own state, in such a country we cannot expect any especially large steps or rapid steps. But it is also a fact that that same country, which was so economically backward, was a pioneer on a world scale when it introduced self-management in the economy. Accordingly, although the task is difficult, it is not unfeasible.

[Question] In view of our problems, is it possible in your opinion to state some real period of time necessary to get out of the crisis?

[Answer] This is difficult to predict for the following reason: every emergence from a crisis must have two components—economic and political. If we were to eliminate the political components and if the economic component were the only problem, then we might solve our economic problems in one year. We have the capacity, personnel, and knowledge, and we could put this to use for more rapid economic growth. Of course, there would have to be certain reforms in distribution of income, in the financial system, and so on, but all of this could be prepared in a year, and the next year we could go forward full steam. However, the problem is that, first, the political structures will not allow that kind of preparation (which is why the Long-Range Program was not stated in operational terms), and second, if under some pressure this were to be allowed, then it would not be implemented. If something is to have an effect, it has to be carried out. Who carries it out—the political structures carry it out, and it is not easy for them to reach agreement on anything, and that is where things fall through.

### [Box]

### The Hungarian Solutions

Room has been opened up to some extent for initiative in that country, but it was done in an ambiguous way which could be counterproductive. It is a fact that a worker works in a state factory in the morning as a wage earner (in the statist system all workers are wage earners, in spite of the slogans about the working class as the ruling class -- B.H.), and then that same worker, in that same factory, works on his own account with state capital. This is obviously a contradictory solution which could yield results for a time, but then that system, because of its contradictoriness, would reach a point where it could not function further. It is functioning in Hungary at present. The situation is better in rural areas. It seems that relying on the traditional motivation of the peasants they have managed to solve things much better. Nevertheless, the situation is worst in that sector which represents the future of every modern society, and that is science, research, culture, and so on, since here government control has been imposed in order to preserve specific forms of statist power. That control has the effect of frustrating that authentic research initiative, and that is why Hungary, even in spite of large investments, will not be able to develop at the pace at which it might develop in view of the ability of its population and that country's traditions.

7045

CSO: 2800/47

#### NEW PARTNERSHIP AGREEMENT WITH FRG CITY SIGNED

Munich SUEDDEUTSCHE ZEITUNG in Cerman 27 Nov 86 p 6

[Article by Albrecht Hinze: "Second Inner German Partner City Arrangement--Neunkirchen in the Saarland and Luebben near Cottbus Sign An Agreement"-datedlined Luebben 26 November 1986]

[Text] Following the city partnership agreement signed in October between Saarlouis and Eisenhuettenstadt on the Oder, the Saarland city of Neunkirchen and the city of Luebben in the Spreewald (GDR bezirk Cottbus) have paved the way for the second German-German association of this sort. The mayors, Peter Neuber (SPD) and Hellmuth Franzka (SED), signed the partnership agreement in Luebben on Wednesday [26 November 1986], after the Luebben city council unanimously approved that agreement and the framework program for exchange visits presented at the same time. In conjunction with a similar ceremony, the countersigning is planned for 12 December in Neunkirchen, which encompasses Wiebelskirchen, Erich Honecker's hometown. Advanced stages of additional promising programs intended to develop German-German city partnerships are currently underway between Wuppertal and Schwerin, Jena and Erlangen, and Saarbruecken and Cottbus.

The city partnership agreement just signed states that both cities intend "to contribute to the development of normal, good neighborly relations between the German Democratic Republic and Federal Republic of Germany within the framework of their potential and competence, and based on the basic treaty of 21 December 1972." They have "the firm intent to develop and promote the collaboration agreed upon through contacts between the citizens of both cities."

In general, a "political dialogue on the municipal level" is anticipated, as is an exchange of information on the development of both cities and on the working and living conditiond of their citizens. Support is to be given primarily to cooperation between civic entities, organizations, associations and groups such as those active in sports and culture. Special mention is made of youth exchanges and the "exchange of delegations, as well as additional encounters of citizens of both cities according to mutual agreement."

/9599

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# SUMMARIES OF MAJOR EINHEIT ARTICLES, NOVEMBER 1986

East Berlin EINHEIT in German Vol 41 No 11, Nov 86 (signed to press 14 Oct 86) pp 962, 1055

[Summary of article by Prof Dr Heinrich Opitz, director of the Philosophy Department at the Karl Marx Party College, CC SED; pp 972-977]

[Text] Man--Measure of Our Deeds

Man with his work, his abilities and his needs, still remains the focal point of all that happens even in the computer era. What is the ideological premise on which that maxim of all our party policy is based? In what way does the coping with the tasks tied up with the scientific-technical revolution precisely conforms most profoundly with our Marxist-Leninist image of man and with the meaning of socialism?

[Summary of article by Prof Dr Irene Fischer, research deputy at the Industrial Economy Section in the Karl Marx Party College, CC SED; and Prof Dr Karl Hartmann, candidate of the CC SED, first deputy rector and director of the Department of Political Economy and Economics, at the same Karl Marx Party College; pp 978-983]

[Text] Man and Work in the Scientific-Technical Revolution

Work--the condition for the existence of the individual and of society--is at once the decisive process for the unfolding of all human capabilities. Proceeding from our development and our economic strategy, it is being shown how the socialist society today can develop and use man's creative capabilities for the benefit of all, what prerequisites it creates for it in the enterprises, combines, and all societal sectors, and what the requirements are that arise from it for our party, the leading force in our society.

[Summary of article by Dr Werner Frohn, member of the SED Central Committee, general director of the Schwedt Petrochemical Combine; pp 284-289]

[Text] Committed to the Coping with High-Tech

More technology, rather than diminishing man's importance, raises his responsibility for the use of the enormous intellectual and material potential connected with it. How does the Schwedt Combine exercise that responsibility? On which conceptual priorities has the combine relied in turning with success over all these years toward intensive extended reproduction?

[Summary of article by Prof Dr Harry Nick, research area chief at the Institute for the Political Economy of Socialism, Social Sciences Academy, CC SED; pp 990-996]

[Text] On Ideological and Social Aspects of the Scientific-Technical Revolution

As the technical-scientific revolution is rapidly advancing, the questions of how it changes human life and how the social order existing today can place it at the disposal of man are moving more and more into the center of intellectual issue-taking. Pursuing these questions it is being shown that the ability of the socialist society to translate economic into social progress is the basis for the receptivity to technology that rules in our country.

[Summary of article by Guenter Sieber, member and department chief of the CC SED: pp 997-1003]

[Text] CPSU Policy--Imbued with the Highest Responsibility for the destiny of Humanity

The 20th century was 17 years old when the Peace Decree encircled the globe, and 15 years before the end of this century the Soviet land once again submitted to humanity a historic peace program—to rid the world of all nuclear and all other weapons of mass annihilation within these one and a half decades. The Soviet Union's timely approach, variably and flexibly undertaken, to international relations conforms to the interests of all mankind as it has arrived at a turning point in its development.

[Summary of article by Prof Dr Hans Steussloff, head of the Marxist-Leninist Philosophy Department at the Karl Marx Party College, CC SED; pp 1004-1009]

[Text] A Textbook for Every Class-Conscious Worker

About the significance of Friedrich Engels' work, "Ludwig Feuerbach and the End of Classical German Philosophy," which appeared 100 years ago. As a model for a constructive attitude toward the progressive intellectual legacy and in its persuasive presentation of the new quality of Marxist philosophy, its basic knowledge—providing the theoretical and ideological wherewithal—this work has proven itself, and does so today, in the struggle of many generations in the revolutionary workers movement.

[Summary of article by Prof Dr Karl-Heinz Struebing, director of the Institute for Socialist Industrial Management in the GDR's Agricultural Sciences Academy; pp 1010-1015]

[Text] High Performance Growth Requirements in the LPG's and VEG's

How do the progressive LPG's and VEG's manage to cope with the scientific-technical progress while using the store of experiences of the cooperative farmers and rural workers? What demands arise from that for management activity? What disringuishes effective work done by cooperation councils? Which experiences can the best collectives pass on from their consistent application of socialist industrial management?

[Summary of article by Guenter Schneider, deputy department had in the SED Central Committee; pp 1016-1020. A full translation of this article is published in this report]

[Text] Political-Ideological Work in the Spirit of the SED's Eleventh Party Congress

> To cope successfully with the new phase in the shaping of the developed socialist society which the lith party congress initiated, we have to satisfy high requirements placed on the efficacy of political-ideological mass activity. What does a class-bound revolutionary stance rely on today? What are the new conditions for politicalideological efforts that have to be met today? Values of socialism—The result of the effort and the stimulus for the creativeness of the people.

[Summary of article by Dr Werner Haltinner, department chief at the Social Sciences Academy, CC SED; pp 1021-1026]

[Text] The Revolutionary Unity of Generations in Our Society

The core question for the revolutionary unity and continuity of the generations as a developmental law of socialist society is the training, promotion, and education of youth toward carrying on the socialist revolution. What is the social role and place of youth in this process? On what foundation are the relations between the generations placed? What are the challenges facing the further consolidation of the unity of the generations in the process of the continuing shaping of the developed socialist society in the GDR?

[Summary of article by Dr Siegfried Buettner, sector chief in the CC SED; and Helmut Scholz, graduate social scientist, staff-member on the CC SED; pp 1027-1032]

[Text] Apartheid Must Be Eliminated!

What expresses the new dimensions of the struggle against the apartheid system? What marks the more intense economic and political crisis of the apartheid regime? The interest situation and attitude of international monopolies and of certain imperialist states. The strategic orientation of the ANC and the South African Communist Party closely allied with it toward creating a united, democratic and anti-racist South Africa. Growing intensity and range of the international struggle against apartheid. Our solidary with South Africa's liberation struggle.

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# SOCIALISM'S ADVANTAGES, ACHIEVEMENTS LAUDED

East Berlin EINHEIT in German Vol 41 No 11, Nov 86 (signed to press 14 Oct 86) pp 966-968

[Article by Prof Dr Herbert Steininger, director of the Marxism-Leninism Section of the Humboldt University in East Berlin: "A Great Chance for Everybody"]

[Text] Throughout the long history of humanistic thought, great ideas have always combined with men's never ending desire for a worthwhile existence. That for such a worthwhile existence one has to invest one's capacities, that one has to work and fight for it, is an historic experience of uncountable generations. "Carpe diem!"--Seize the day!--from Horace's Odes expresses that experience as much as the conclusion Goethe's Faust arrives at: "Freedom and life are earned by those alone who conquer them each day anew."

Historical experiences from the class struggles of many centuries demonstrate also, however, that the great humanistic ideas of the unfolding of essential human capacities, of meaningful and fulfilled life for each person, of a society that is socially fair and offers developmental opportunities to all, had to remain unfulfilled dreams as long as the materialization of such ideals was opposed by the actual circumstances in antagonistic class societies. Not before our own era, through the socialist revolutions since 1917, have the conditions been established to give shape to those ideas in the life of humanity. In a historically brief period, real socialism has done incomparably more for men's vital interests, for peace, work and bread, education and culture, democracy, law and freedom than have all previous societies. Today it has become a him aric experience for millions also in our own country: "Life eat chance for everybody." (Footnote 1) (Comrade Erich in socialism m Honecker, "SED .... Committee Report to the 11th SED Congress," Dietz publishing house, Berla, 1986, p 89) That statement by Comrade Erich Honecker before our party's top forum grasps an essential objective condition for an existence in human dignity which stems from the innermost core, from the humanistic character of our social order. With it, it is an appeal to everybody to make a good use of that chance.

What reasons entitle us, today especially, to offer such an optimistic, affirmative, and far-reaching observation, when human civilization finds itself threatened as never before by the most aggressive forces of imperialism and the capitalist world is a vealing its inability to transform the scientifictechnical progress into social values for man? Among the most important historic accomplishments of socialism, also in our own country, is that it could "topple all circumstances under which man is a debased, enslaved, abandoned and ignominious being." (Footnote 2) (Karl Marx, "Introduction to the Critique of Hegel's Philosophy of Right," "Werke," Vol 1, Dietz publishing house, Berlin, 1956, p 385) In the wake of the most penetrating revolutionary transformation process in history, it has brought about circumstances for a truly dignified human existence and opened far-reaching chances for all members of society--regardless of their social provenance and position, their ideological position and their religious faith--to make the most valuable men possess, their lives, meaningful, productive, creative, and rich.

Through the political power the workers class had scized in alliance with all other working people, and through the socialist ownership in the means of production, centuries—old barriers to the unfolding of human indivinals—like the economic and political power monopoly by a few and the educational privilege—were lifted for once and for all. That grew and solidified social relations in our country that are marked by comradely cooperation, acting for the good of the people, and the safeguaring of peace. They demonstrate that fundamental social and personal interests are no longer opposed.

Our chief battleground, the unity of economic and social policies, can therefore with every good reason be called a battleground for man, for releasing his creativeness. Economic and scientific-technical progress in socialist society serves the highest well-being and all-round development of all its members. The fact that our country for one and a half decades already has gone through steady and successful economic and social development, securing a high living standard for our people and providing regard and respect for the GDR worldwide, furnishes eloquent testimony for what real socialism can do for the prosperity of society as a whole and all individual living conditions. An indispensable prerequisite for it lies in strengthening our country's economic efficiency, which is connecting ever more closely with the progress in all sectors of public life. Only by way of steady economic efficiency improvements, in a process ever more strongly affected by the interactions between the economy and all other sectors of public life, can the material and intellectual prerequisites for a society be created and further developed which-as Marx wrote-"through the largest upswing in the productive forces of social labor ensures man's universal development." (Pootnote 3) (Karl Marx, "Letter to the OTECHESTVENIYE SAPISKI editorial board," "Werke," Vol 19, Dietz publishing house, Berlin, 1962, p 111)

That plainly accentuates the great chance life offers everybody in socialism: As a first in the long history of mankind there are now real social conditions opening far-reaching chances for every member of society to develop his talents, acquire knowledge, test his gifts and his mettle through productive work and in all other spheres of human activity, and leave a wide margin for his physical and mental potentials for society's and his own benefit.

In the GDR such essential conditions for personality development as full employment, social security, equal educational opportunities for all, free medical care have long been accepted and guaranteed social facts—often accomplished through hardships, by the diligence, knowledge and skill of our working people,

motivated by our Marxist-Leninist party's leadership capacity. Only look at our towns and communities, for the inhibitants of which in this 5-year plan alone better living conditions are in store thanks to the construction or modernization of another 1,064,000 apartments. All in all, soon, in the historically brief period of only 2 decades, for nearly 10,5 million citizens the housing conditions will be improved. Then the bousing question will be resolved as a social problem by 1990 and an old goal of the revolutionary workers movement will be realized. It is obvious how much depends on it, in particular, for our well-being, our family and children's happiness, and the realization of all the different kinds of interests.

Or look at the great chances our society offers to anyone who wants to acquire knowledge and skills and explore the wealth of our art and culture. Our socialist educational system guarantees equal educational opportunities for all children and an unobstructed access by all properly gifted people to the top educational institutions. It ensures a many-sided, topical, relevant and sound scientific general education and aims at promoting gifts and talents and at developing personalities who work creatively and with commitment in our society. All psychologically or physically handicapped also are given a chance for an optimum education and a development of their capabilities.

A broad field for human self-realization, for the development and release of the creative capacities of the individual, opens up in our society through democratic participation—in any given field. Whether the annual plan debate or the activity on social bodies various in kind, into which an individual can channel his thoughts, ideas, and suggestions, so that our farflung goals, serving the good and happiness of the people as of one's own, are assuming reality—he always is challenged with all he knows and can do. This also demonstrates in practice that in socialism everybody is needed and respected as a personality, that his expert participation is seriously wanted.

Whatever sphere of public life in socialism one may look at, everywhere one will run into diverse fields of action in which each individuality can broadly and richly unfold, for which socialism is steadily perfecting the intellectual-cultural and the material preconditions.

Individual development means that an individual makes use of the great chance life in socialism offers for it. Very much, even if not everything, depends on the individual himself here: Personality is what life makes of a man, and it is what man makes of his life. In our workers and farmers state the ways are wide open to the individual to develop his personality and realize a life's work full of meaning.

Creating such an intellectual climate in enterprises and combines, in schools and science institutions, in all public domains of our life, conducive to having an individual make much of his life, of himself, demands great attention and differentiated, sensitive approaches by our party leadership for the political-ideological processes connected with it, in the efforts undertaken by the mass organizations, mainly the trade organizations and the socialist youth association and the official authorities.

Life in our country demonstrates that millions of people well know how to use their chance for being meaningfully committed to working for our society. That is proclaimed by outstanding achievements won in the effort to develop the material-technical, economic, social, political and intellectual-cultural potentials of our humanistic society. That, as Comrade Erich Honecker affirmed at the 11th party congress, becomes "itself all the richer, the more richly the individuality of its members unfolds while, through its advances, it keeps creating more and more favorable conditions for it." (Footnote 4) (Comrad Erich Honecker, op. cit., pp 59-60)

However, what would even the greatest chance be for an individual without secure peace? For turning, altogether, for the present and future generations, the chances of life into the realities of life, the many individual dreams and yearnings into deeds, so that all men's life today and tomorrow is crowned with meaning and substance--peace must be preserved and mankind must be spared an annihilating nuclear inferno. Helping through one's own high achievements that socialism keeps gaining in strength and respect and peace remains secure as the me t important chance for life--to that adds up today for millions in our republic what they mean by using the great chance socialism is offering them.

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GOALS, TECHNIQUES OF POLITICAL-IDEOLOGICAL WORK NOTED

East Berlin EINHEIT in German Vol 41 No 11, Nov 86 (signed to press 14 Oct 86) pp 1016-1020

[Article by Geunter Schneider, deputydepartment head in the SED Central Committee: "Political-Ideological Work in the Spirit of the SED's Eleventh Party Congress"]

[Text] The qualitatively new phase in the shaping of the developed socialist society that was initiated by the 11th SED Congress is inseparable from the new demands placed on our political-ideological work. One and a half decades of successful policy for the good of the people, the safeguarding of peace, and the strengthening of socialism demonstrate: The more dynamic social development is, the greater becomes the weight of the subjective factor, the role of socialist ideology. As Marxism-Leninism is no dogma, but an action guideline, the demand made on the political-ideological efforts by the party among the masses lies in tenaciously organizing, while guided by the SED program, the study of Marxism-Leninism, the works of the classic authors and the application of their instructions, and making fruitful the suggestions and opinions of the working people, submitted throughout the public debates, in the struggle for the implementation of tasks, as pronounced in the report to the top communists in our country by Comrade Erich Honecker, general secretary of our party's Central Committee.

As a basic orientation for it, note the remark from Erich Honecker, to the effect that "the party's political mass activity gains its effectiveness mainly by its being most closely linked with social proactice, with the everyday struggle for safeguarding peace, and with the life of the people." (Pootnote 1) (Comrade Erich Honecker, "SED Central Committee Report to the 11th SED Congress," Dietz publishing house, Berlin, 1986, pp 85-86) That has to be done strictly with reference to the tasks at hand because, after all, political-ideological work does not stand apart from other processes taking place in our society but is, as it were, the elixir of life for creative acts.

The Leninist principle to the effect that every step of "schooling, education and training must be combined with all working people's taking part in the common struggle," (Footnote 2) (V. I. Lenin, "The Tasks of the Youth Associations," "Werke," Vol 31, Dietz publishing house, Berlin, 1959, p 285) brings out that neither the dispensation of k: wledge alone nor work without simultaneous

political education and public activity can be the object of party work. Instead, it always involves the unity of socialist consciousness, action and revolutionary passion. Thus it is those party executives that act correctly to the fullest when they devote the greatest attention to the systematic training of the communists in the party study year and recruit the most capable comrades as propagandists so as to lend the trade unions, the socialist youth association, and the other mass organizations extensive support for skillfully carrying out their educational work. It must always again become perfectly clear that training in our party serves to prepare the communists for political-ideological mass activity, for persuasive conversations, rich in fine arguments, with the working people. Massive Marxist-Leninist education, a class-bound approach to reality, and the unity between socialist consciousness and political organization are gaining increasing importance for forming and fortifying stable basic socialist attitudes. Not a single task there is, after all, that could be properly posed and successfully resolved without theoreticalideological work. The working people's accountable results, the "steps to true encounter," ultimately are the acid test for the efficacy of political-ideological work.

The Good Balance-Sheet -- The Source of Our Strength

We have every good reason to be optimistic about gaining the goals we seek, about making successful headway step by step through the joint efforts of all the people. What the GDR has accomplished through socialism attests to the strength of the people and its confidence in the future. On this basis, closely allied with the Soviet Union and the other socialist countries, we are building the future.

Today revolutionary action has become a massive people's movement which—always again inspired by the workers class under SED leadership—embraces all classes and strata. This surely is an unprecedented dimension in German history that workers and farmers, led by the Marxist-Leninist party, have irrevocably and undeniably proven able to construct and successfully direct a blossoming socialist national entity.

Thanks to the profound revolutionary transformations, a first in history, on German soil, from which the two devastating world wars in our century emanated, a socialist state was born—the GDR. It is among the most resolute peace fighters. The stabilization of peace is the supreme precept of our policy and the most important concern of our citizens. Movements like the search for a coalition of reason and good will, the peace struggle, are all the more now closely linked with the GDR's efforts in the international arena.

It attests to the revolutionary spirit--worthy of the best traditions of the German workers class--that we are realizing an old dream of the people today in resolving the housing question as a social problem by 1990. Or think of this: For centuries humanists have lamented the deep cleavage between the spirit and power. A fruit of the socialist revolution is that spirit and power are fused and serve the good of the people. We are aware: on the rate and quality of introducing the key technologies and their effects in production greatly depend the GDR's world renown in the peace struggle, our further advances

along socialism, and the people's growing prosperity. To do justice to that is the measure of our revolutionary action. That realization is an extraordinary motivator for top achievements and for a class-bound and aggressive approach to fulfilling the 11th party congress resolutions.

The implementation of the SED's economic strategy with a view to the year 2000, our comprehensive intensification, and the broad introduction of the key technologies are tasks which in their revolutionary character indeed are not less impressive than such legendary actions as "Max Needs Water" or the building of the Sosa Dam or the clearing of the Wische. The socioeconomic consequence, the scope of changes, is even incomparably larger today than way back then. Thosewho were depicted in Hermann Kant's "Aula," young revolutionaries once who touched all our hearts, who modeled themselves after Nikolai Ostrovski's novel character Pavel Korchagin, have done great things and will retain an imperishable spot in the history of socialism on German soil. Still, each task resolved invariably issues forth new and more ambitious ones which we have to fact to lend ever more powerful force to the spread of the humanistic character of socialism. A communist finds the meaning of his life in his service to the people.

No less revolutionary elan than once is needed for solving the tasks we are assigned today. Lenin's remark, penned in the "Youth-International" note (Footnote 3) ("Werke," Vol 23, Dietz publishing house, Berlin, 1968, p 164), to the effect that youth is bound to approach socialism differently, not in the same form and situation as their elders, holds true generally for the chain of generations. Class-bound revolutionary conduct relies on the experiences of the struggle gathered in the past, which have become class properties, and is aimed at coping with the new requirements under new conditions, the steps to be taken today and tomorrow along the way of the socialist revolution in our country.

Far-reaching consequences for political-ideological work arise form the fact that revolutionary action has become a mass movement. Our party thus attaches great importance to publicizing the best achievements and, along with it, always showing how others can achieve the same, and that then cases of resistance and obsolete modes of thinking have to be surmounted with it, that contradictions have to be resolved and that courage and risk are as necessary for it as is a firm trust in one's own and one's collective's strength. And since the socialist revolution, pertaining to the continued shaping of the developed socialist society in the GDR, affects all domains of life and involves all people, the epochal scope of this process for the present and the future must not be lost sight of and the fundamental political experiences of earlier generations must be effectively passed on to the young. All the more significant then is vivid history propaganda. It implies spreading our worldview at all times and sharpening our view of the historic magnitude of our epoch of the worldwide transition from capitalism to socialism. And this precisely involves the following essential connection: explaining historic processes to make the demands of the day comprehensible in their historic scope, the fulfillment of which is just another step toward realizing the great goals in the struggle of the workers class and of all humanity.

Comrade Erich Honecker emphasized at the 11th party congress that what matters was to pay strict attention to the concrete conditions and new requirements and affirmed: "Not to be ignored is the fact that already generations are living today in the GDR to whom the socialist way of life is germane, whose thoughts and actions or habits are marked by the socialist work attitude and by much education, knowledge, and information." (Footnote 4) (Comrade Erich Honecker, op. eit., p 86) Indeed, since the first half of the 1980's for the first time the proportion of citizens born after World War II is in the majority (circa 56 percent; 51 percent of the citizens were born after the founding of our workers and farmers state). Those who have had no personal experience with the imperialist exploiter system and have always lived in peace and social security are now the majority. In the middle of our decade, 19 percent of the GDR citizens had been born after 1971 and have since attended school and vocational training.

For the current generations many great goals of the revolutionary workers class tensuring a high level of satisfaction for material and intellectual needs, social security, certitude about the future and comfort, and the chance to lead a meaningful life) are understood and taken for granted by now. Efficiency can be greatly increased when one explains the great socialist accomplishments by the process that gave birth to them. For a construction worker it is undoubtedly impressive to pursue after some years his own "trace of bricks," to join in the pleasure of those who live in houses he himself had a hand in building. For a scientist it is essential to sense and know that his inventions are needed, that he serves human progress with his work in that he helps fortify socialism in our country through his own work. The magnificent balance-sheet of socialism, on having done far more for men at short shrift than all previous social orders together -- that lends wings to the working people's creativeness and has all the more of a stimulating effect when the accomplishments become practical experiences as the outcome of our party's leadership activity reflected in diligent and disciplined labor.

To agitprop this means explaining the values and advantages of socialism as the result of our efforts and, with it, as a new demand placed on further activity, because they must always again be fought for as the demands placed on them are constantly growing due to the shaping of the developed socialist society. Conforming to them requires responsible and diligent efforts from all. And they get all the more motivated when the socialist policy, aimed at the well-being of the people, gets compared with the effects of the exploiter society's policy, exclusively oriented to profit, and when one demonstrates, e.g., the diametrically opposed effects of the scientific-technical revolution on men.

#### Differentiated Political Mass Activity

The new conditions for ideological work include the fact that the GDR population is highly educated. Breaking the educational monopoly of the bourgeoisie has made it possible for the children of our people fully to develop their capabilities and talents. In 1985, e.g., the proportion of college and technical school graduates of the total of working people in the socialist economy came to 21 percent and that of the master workers and specialists, to 64 percent. Some 87 percent of all who enter vocational training graduated from

10th grade. This gives rise to higher demands made on the level of satisfying intellectual needs and especially the political-ideological work, its theoretical depth and relevance. It is necessary to extend the knowledge acquired in school, during vocational training, and in the youth association, to connect with the practical political experiences, and to spread our scientific world-outlook with great effectiveness. That implies that each party management sees to a high level and the unity of theoretical depth and relevance in Marxist-Leninist education and continuing education in its area of responsibility and that the militant and polemical spirit inherent in our world-outlook is brought to bear on the fulfilment of the 11th party congress resolutions.

SED policy, in its solidarity with the people, demands and encourages revolutionary modes of thinking and conduct. A decisive cause for it is the fundamental conformity of public with personal interests. "It matters more than ever." Comrade Erich Honecker asserted at the 11th party congress. "to encourage the working people's dedication, their knowledge and vocational expertise, their openness to innovations and those of our working class and intellectual traditions as diligence, reliability, and discipline. A committed advocacy of scientific-technical progress and of enforcing our economic strategy today is an expression of revolutionary thought and action." (Footnote 5) (Ibid.) A socialist proclivity is reflected above all by conscious and committed efforts on behalf of the commonweal, especially the efforts toward implementing the economic strategy and improving production efficiency through massively introducing the key technologies. In practice it has been demonstrated that in that process the experience of the workers, engineers and scientists grows, new demands are made on the education and continuing education and, above all, the sense of political responsibility on the part of each manager and working person, and the new technologies leave a larger leeway for creative activity. Through the ever closer linkage between science and production a great intellectual potential gets mobilized, which has to be used purposefully for successfully advancing along the course of the 11th party congress. Facing top international standards demands thinking more and more in the dimensions of the entire reproduction process and acknowledging the increased importance of individual performance for the economy as much as the need for high flexibility, discipline, sense of duty, reliability, sense of community, helpfulness and the courage to take risks.

This is what Comrade Erich Honecker asserted at the 11th SED Congress: "The socialist society becomes all the richer, the more richly the individuality of its members unfolds." (Footnote 6) (Ibid., pp 59-60) Unfolding the richness of human individuality has nothing in common with bourgeois individualism, egoism and reckless striving for personal advantages as is typical of the wolfish laws of imperialism. On the contrary: Marxism-Leninism has always stressed the role of the individual, of personality in the process of history. The "Communist Manifesto" contains the fundamental observation to the effect that in the socialist order "the free development of each is the condition for the free development of all." (Footnote 7) (Marx/Engels, "Werke," Vol 4, Dietz publishing house, Berlin, 1959, p 482)

Everybody is born into prevailing social circumstances. Most GDR citizens have grown up unde: an order of social security and peace and have gained the experience that man's self-realization, his personal freedom, can only come when the antagonistic class barriers of the old society are abolished. The rich unfolding of personality—formulated as a vision in Goethe's "Faust"—has become a universal claim today. The unfolding of the gifts, talents, inclinations and interests of each at once is a necessary condition for our further advances. The weight of individual decisions with their resulting responsibility has increased and will continue to do so. Through the dynamic productive forces development, mainly through the hastened introduction of the key technologies, the value of installations per worker has risen immensely. Yet also the qualitatively new role of live labor, altered structures in the work collectives, and increasing automation in the enterprises bring along new demands for the working people, such as the permanent obligation to continue one's education.

It is therefore a priority task for political-ideological mass activity to work uniformly in essentials yet, practically, in a differentiated manner, and to devote special attention to personal political conversations, in that ideological and political insights and convictions are greatly affected by personal experiences, by successes, joys, sorrows and suffering, and-formed in society--are acquired individually.

Especially in the productive field of tension between the individual and the collective, where by and large the political and work atmosphere is set, the communists, as the working people's trustees, have much work to do, as "only in the community with others each individual finds the means to develop his gifts in all directions; only within the community then personal freedom becomes possible." (Footnote 8) (Marx/Engels, "The German Ideology," "Werke," Vol 3, Dietz publishing house, Berlin, 1958, p /4)

Productive forces development in socialism—that mainly means promoting human creativeness, the wealth of ideas and imagination, and men's gifts, skills, intelligence and emotional social ties. The struggle for top achievements generates manager, scientist and worker personalities, who grow on the task they are working on and prepare new solutions and take new approaches, and who act in the sense of the maxim: "Duty, where one loves what one bids oneself do" (Footnote 9) (Goethe, Berlin edition, Vol 18, Aufbau-Verlag, Berlin/Weimar, 1972, p 606)—with joy, in other words, and with conviction, for strengthening socialism.

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#### POLITICS

#### BOOKS ON INTERNATIONAL LABOR MOVEMENT REVIEWED

East Berlin EINHEIT in German Vol 41 No 11, Nov 86 (signed to press 14 Oct 86) pp 1051-1052

[Review by Prof Dr Goetz Dieckmann, prorector and head of the His.ory Department at the SED Central Committee's "Karl Marx" Party College, of books "Geschichte der internationalen Arbeiterbewegung in Daten" [History of the International Workers' Movement: Facts] by an authors' collective under Horst Schumacher, Dietz Verlag, East Berlin, 1986, and "Komintern und revolutionaere Partei: Auswahl von Dokumenten und Materialien—1919-1943" [Comintern and Revolutionary Party: Selected Documents and Materials—1919-1943], published by Elfriede Lewerenz, Dietz Verlag, East Berlin, 1986]: "On the History of the International Workers' Movement"]

[Text] Recently, the Institute for Marxism-Leninism at the SED Central Committee published two books which will draw the attention of all those dealing with questions of the history of Marxist-Leninist theory and the workers' movement. While one book presents the historic process of the international workers' movement in its complexity with the specific means of a reference book, in the other, selected documents are a testimony of the creative further development of Marxist-Leninist party teachings during an important period of the communist world movement.

With the "History of the International Workers' Movement; Pacts," an author's collective under Horst Schumacher presented a book which is of great usefulness for scientific and propagandistic work. On over 800 pages, more than 5,000 data and numerous facts demonstrate the historic rise of the workers' movement—from its beginnings in England with the industrial revolution around 1760 to the year 1982. Light is shed on the great historic development line of the workers' movement—from the first emancipation endeavors of the proletariat to the workers' class as a class exercising power—as the major force for peace and social progress. At the same time, the reader can familiarize himself with the concrete standing of the workers' movement during the various stages of development. Many convincing facts prove the far-reaching political changes which took place within the workers' movement in the class struggle and in the dispute over the road and goal of the working class. It illustrates how the striving for unity of action, particularly of communists and social democrate, increasingly gained importance in the politics of communist and workers'

parties, particularly in the fight for peace. It documents how internationalism, as developed by the workers' class, became a bond uniting the peoples of socialist countries, millions of workers in capitalism, and the forces of the national liberation movement.

The four sections of the book are headed by short introductions outlining the most important traits of each period. Clearly arranged geographic and people registers, registers of organizations, coalitions and political movements, journals and a list of abbreviations make it easier to follow national and regional processes and specific lines of development, as well as opening up systematically the wealth of factual material.

It is commendable that the authors proceed strictly historic-chronologically. This conceptual decision contributed considerably to illustrating the international nature of the workers' movement and its struggle, and the basic direction of societal development on a worldwide scale. Not least of all, the great value of this book for political-ideological work is based on this concept.

With the help of facts, it testifies to the compelling course of history and proves the process of worldwide transition from capitalism to socialism. The reader gains a precise picture of how the revolutionary workers' movement has always seen the preservation of peace as one of its most important causes. At the same time, it fosters understanding that in our time, when the danger of a nuclear holocaust overshadows the lives of people, securing peace must be the highest priority action goal of the entire workers' movement and that its considerable potential for peace must be fully utilized.

Despite still existing gaps in research—particularly with regard to the development of the workers' movement in many countries of Asia and Africa—the authors succeeded in drawing one of the most complete pictures also under an international aspect: the coming into existence, growth, and positions attained; the history of the struggle and the organizations of the international workers' movement, and particularly of the revolutionary forces active in their ranks.

The documentary volume "Comintern and Revolutionary Party" is also a valuable addition for teachings and propaganda. The material collected in it by Elfriede Lewerenz testifies to the lasting contribution made by the Communist International (Comintern), through its resolutions and documents, to the character and tasks of communist parties and to the adoption of Marxism-Leninism for the creative further development of party teachings as well as for the development and strengthening of communist parties. Comintern thus fulfilled the legacy of the First International created by Karl Marx and Friedrich Engels and continued the best traditions of the Second International. In its activities, the battle experience of all revolutionary parties of the proletariat was gathered and, collectively, the rich experience of Lenin's victorious party was utilized for the entire communist movement.

Significant Comintern documents are reproduced in their entirety or in excerpts, beginning with the initiators' written invitation to their founding

in January 1919, to the announcement by the presidium of the Executive Committee of their dissolution in May of 1943. Primarily such material was selected which contain the principal demands and fundamental task settings indispensable for the development and strengthening of the communist parties in the respective concrete historical situations. What becomes clear is Lenin's outstanding achievement, his strength of principles and his flexibility in the struggle for the development of the communist movement, and the formation and growing strength of revolutionary fighting parties of the proletariat.

The documents and resolutions selected illustrate why, in the first decades after the victory of the Great Socialist October Revolution, an international organization of communists—built on the principle of democratic centralism—was objectively necessary, and how the Comintern is owed a great debt for its fight to reestablish the unity of the workers' movement on a revolutionary basis. They also make clear the growth and maturing process of communist parties in various countries. As these parties, with the support of Comintern, perfected their political—ideological and organizational capabilities to apply creatively the generally valid laws of the proletarian revolution to the specific conditions in their countries, and in view of the ever more numerous conditions of struggle, "the historic mission of Comintern as an organizational form of the communist world movement as caused by the times, was fulfilled" (pp 6-7).

In this context, emphasis must be placed on the material contained in this documentary volume relating to the 7th Congress of the Communist International in the summer of 1935, which is impressive proof of the maturity attained by the communist world movement and its parties. (See p 267 ff.) The material documents their capacity for developing, on the basis of Marxism-Leninism, a strategy and tactic adapted to the different situations in the individual countries as well as new battle conditions which enabled the communist parties to fulfill even better their role of avantgarde in the anti-Fascist struggle of the people.

The documents—also included is the Open Letter of the Comintern Executive Committee of 1 September 1925 to the KPD (see p 227 ff.)—also demonstrate the great importance of Comintern for the strengthening of the KPD. Relying on its fraternal support, it developed into a Marxist-Leninist fighting party and, guided by the interests of working people, it developed an effective revolutionary policy for the masses.

9917

CSO: 2300/79

POLITICS

## INMATE OF FORCED LABOR CAMP IN EARLY FIFTIES INTERVIEWED

Budapest MOZGO VILAG in Hungarian Oct 86 pp 39-44

[Interview with Tibor Zimanyi by Istvan Pavorniczky: "Recsk 1950-1953"]

[Text] "They took us to Recsk by saying: whoever works will be free"

In 1944 Tibor Zimanyi was the leader of a resistance group called Hungarian Students' Freedom Pront. Following liberation he served in the democratic police. In 1947 he obtained a doctorate in economics and prepared to continue his studies on a scholarship in Paris. He was arrested in his apartment in Budapest on grounds that he attempted to escape. Later the charge turned into treason. It was even later that it became known that he was to be one of the defendents in the projected "university case" which never came about because of the intervening Mindszenty and Rajk cases. At first he was held at the Buda-South internment camp and later at Kistarcsa. They took him to Recsk in 1950.

[ANSMER] About a thousand people were taken from Kistarcsa to Recsk. After several long months we received permission to write to relatives and request winter clothing. After the warm clothing arrived they told us that we would be taken away ... we should pack carefully so that nothing gets lost. In retrospect one can only laugh at these things. We gathered our belongings in a huge courtyard-that's where we had to place our packages. From that moment on we lost track of our belongings. Stripped from civilian clothing, we put on military uniforms painted with red lead paint so that we could not escape. Within ten minutes they stripped us from virtually all of our belongings. This was an ordinary criminal act--I cannot call it anything else. In the darkness trucks took us to awaiting railroad cars at Godollo. We thought they would take us to the Soviet Union.

[QUESTION] Nothing was said?

[ANSMiR] Nothing. Only after we arrived at Recsk station. They herded us up there that night—the quarry is quite a distance from the village—there wasn't even a decent road built to take us there. But there were barracks already—an earlier group, some old social democrats built the barracks. The

barracks had roofs, but the end wall was missing. It was late autumn, it froze during the night, the winds blew freely through the barracks. Beds were made of pieces of wood, tree limbs and branches, and there we were stuffing straw bags to place upon the beds. These were huge barracks, each accommodated 200-250 men.

[QUESTION] A thousand of you were taken from Kistarcsa. How were those individuals selected?

[ANSWER] The devil knows. As if they had picked cases that were considered by them to be more serious than others. But the group was mixed with former policemen, former soldiers who could provide certain services. Actually, the quarry was opened only upon the arrival of our large numbers. A very severe, cold winter followed. Outdoor work had to go on, irrespective of the weather. No consideration was given to rain or cold.

[QUESTION] What work did you do?

[ANSWER] We were the ones to open the stone quarry. We removed the soil and opened up at various levels. For example, I worked on the top. Using a hand-held carrier we took the soil that was scraped off the rocks and threw it in the dump. So that stone would appear on the surface. That entire mountain is a giant block of dolomite. There was a main level where stones were ground into small pebbles—this too was inhuman work—men not accustomed to hard labor sat day in day out grinding stones. Most of them, at least half of them were from the intelligentsia. Or, carrying the soil with that hand-held carrier all day, up and down, with incredibly low amounts of calories. The physical condition of the entire group has deteriorated to such an extent that wounds simply did not heal. For this reason, after a while they gave us some yeast. They examined us the way they examined prisoners of war: they grabbed our asses to see how much flesh there was left.

[QUESTION] What was your daily schedule?

[ANSMER] We were awakened early. We received our breakfast down there and at 7 o'clock we marched out. Our lunches were brought up to the work place and we moved back to the camp as darkness fell. Then came the roster--it took several hours. Regardless of weather conditions we were lined up outdoors and those oafs couldn't count very well--nothing was urgent for them. Very little time was left to rest. Once we arrived at the barracks-we undressed and tried to wash up. Fortunately there was a physician among us, he gave us suet because our hands broke out during work. But we didn't use the suet on our hands: we put it in the soup. It gave us a few calories. We picked some mushrooms and placed them in the hot soup also. True, the mushrooms remained raw, but at least there was something to chew on. If noticed, the guards punished us for doing that. We were not supposed to bend down. If a guard noticed someone bending down, slaps in the face, kicks and jail followed instantly.

[QUESTION] What kinds of punishment did they prescribe?

[ANSWER] They created a punitive barracks--treatment was even worse there and there was more work. Those in the punitive barracks were first to march out and last to return-on Sundays they worked longer-because we worked on Sundays too-not in the quarry but fixing up the camp. Initially there was no jail. Instead they dug a four by four meter hole, those punished had to go in The AVH [state security police] people walked to their quarters alongside that bunker, on their way each of them went down and gave a beating to the one who was down there. And the one down there didn't know what he had done, why he was there. One of my friends was placed there because he put a thick piece of wood--like the width of my arm-on the fire. It was raining and snowing, so we set a fire to get warm and to dry up. But they told us that we may only place small tree limbs on the fire. If they noticed someone placing a thick branch on the fire, that person was instantly thrown into jail. They introduced the practice of tying up prisoners. This meant that one's hands and feet were tied together and a pole was stuck through. pole was then tilted to one side. In an hour and a half or two hours that person was turned around because his limbs went numb--a situation in which the limbs may simply dye. One of our friends was pushed so close to the stove that his fingers were burnt. It complained in vain. The guard shouted "you may rot there," then left. Only when the rest of the immates could smell burning flesh and began shouting, only then did the guards return and turn around the tied up inmate. Three of his fingers were amputated.

[QUESTION] You didn't mention the situation of the camp yet.

[ANSMER] The camp was surrounded by a double barbed wire fence. The village was down in the valley and we were up there on Calvary Hill. Double barbed wire fence, a guard tower -- a regular penal institution. There were spotlights in the tower, and between the two rows of fence the soil was neatly raked so that foot-prints could be detected. The entire mountain-a huge area-was fenced in. Even the AVII barracks were fenced in-they were on top of a hill across from the mountain. Accordingly, our camp was located in the area between the quarry and the AVII barracks. There was a small brook there-we built some lakes where we could wash up in the summer. There was a separate building for storage, a kitchen facility, an infirmary -- the rest were the so called residential barracks--and there was the penal barracks and a jail. The brigade leaders and the ones who checked production norms were the [AVII] confidents. Their meals were better. Generally the brigade leaders were kapo types, more brutal than the AVII. Those responsible for the norms were not that way. Some were assigned to these duties because of their professional background, they behaved quite honorably. We built yet another six or eight barracks-or rather, I should say, we started to build them. We raised the walls but those barracks remained empty. It was only later that we learned why we built those barracks. Those were the days when the last langarian prisoners of war returned from the Soviet Union. As we later concluded, they did not want these men to return to the Hungarian mainstream. We built the barracks for them. But then the plans changed and this new wave of men never arrived. Altogether there were 1300-1400 men in Recsk.

[QUESTION] ibw did they treat the prisoners?

[ANSMER] In an inhumane manner. It was in the afternoons that entrapments and harrassments took place. Frequently they roused us at night, depending on how [the guards] wanted to amuse themselves. And one couldn't even think of who benefits from this, why they are doing this. Commandants were frequently changed. One of them made a memorable speech. He said that after all, we too are human beings-before that they called us robbers. This "after all, you too are human beings" was new, "and so you should work and fulfill the norm, and then you may go shopping as they can in other penal institutions." They said that there would be a monthly accounting, and that we would receive the same wages other workers do. We could use our wages for shopping. reality, however, this meant that after three years, at the time we were freed we received an amount somewhere between 170 and 200 forints. Whether this was the accounting remains unknown. They also said that the ones who don't smoke will receive marmalade. Smokers who fulfilled their norm received their three cigarettes. Those who did not ask for cigarettes never received the marmalade. But one couldn't change his mind either. Non-smokers could have received food from the unfortunate smokers in lieu of cigarettes.

# [QUESTION] How many men made up the guard contingent?

[ANSMER] I really don't know. Guard towers were spaced at 50 meter distances. If I recall correctly, there were two guard barracks, one contingent served on the outside, the other was with us. We didn't have contact with those who served outside. We didn't know their names, we gave then mock names. One called 'Viplas' was named after his tooth. was so called because he did not say 'hey robber, come here," he said 'hey maestro, grab this," and so the name 'Maestro' constituted a kind recognition. One "Skicap" was so called because during the winter he wore a ski cap. "Macaroni" was a tall, thin man, especially vicious. "Little Red Riding Ibod" was a red haired, stocky, very ugly young man. He specialied in the elderly in a rather disgusting way. He called on two old men to step out. Then, without any provocation he beat them up. And then there was the "Math Teacher." He was never able to finish the roster properly. I no longer recall how "Don Pedro" got his name. And then there was the "Gentleman" [sic]. At the time he assumed leadership of the brigade he started out by saying this: 'men, if possible, fulfill the norm, it's good for me, it's good for you, and if there's something, let me know." Or the "Doghandler." He got his name by virtue of the fact that one day he gave a wash basin full of noodles to the camp dog-he placed it into the dog house. We watched the noodles and toasted farina with envy. Suddenly he looked at one of us: 'Why don't you take it?" "What," the inmate asked. "The noodles--I've put them there so that no one would notice." The wash basin filled with noodles was a gigantic present, an incredible gesture. He endangered his own security. At the same time "Gentleman," who treated us humanely, did something incredibly brutal to one of the inmates. The inmate was a tall, thin man, who could loosen his legs. "Gentleman" not only tied him up, but also stuffed a blanket between the inmate's chest and arms. The pole could not be loosened up and so he had difficulty breathing. He could have died, he was a weak, sickly person. There were two detectives. "Skicap" was one of then, the other one was called "Messy Hair" because he never wore anything on his head. These two conducted the higher level counter-intelligence work. They were the ones who worked with the squeelers, with brigade leaders. They were in charge of

disciplinary actions and questioning. It was not advisable to be in touch with them. One instinctively submerged himself in work when they appeared. This was one possible method of survival. When the AVH came, one submerged himself in work. When they left or did not pay attention, one could rest.

At the time the quarry opened, we did forest clearence, including stump removal. This required great physical strength and dexterity. The wood was stacked into cubic meter-sized piles--of course no one was able to achieve the prescribed norm-the food was weak-we were weak. We built stacks that were empty inside, and not all production checkers jumped inside to make the stack collapse. Prequently we hauled the previous day's stacks to new locations, so as to be counted once again as the following day's production. This was defensive fraud so that we at least approach the norm. The carriers were supposed to empty 100-120 hand-carriers full of soil into the dump. quarriers placed the large stones into bogies and the grinders used small hammers to break the stones into pieces, five to six centimeters in size. Even a well-fed person would have been exhausted with this kind of work, not to mention us. Breakfast consisted of regulation type black coffee with a little bit of sugar. It was then that we received our daily bread ration--it varied quite a bit. On occasion we received an entire loaf, on some days only half a loaf, about 20 dekagrams. Bread allotments were distributed to brigades, and fair distribution [among individuals] assumed an incredibly high degree of significance. Everyone prepared a scale. Two pieces of wood tied together with two cardboard plates: this is how we checked that each portion was identical. Then came the next problem: how to apportion the bread so that it lasts for the entire day. Even those who ate less were able to eat the day's ration in one sitting. We consumed lunch on top of the hill under the sky, and ate dinner in the barracks. Generally a single dish constituted dinner. On Sundays we received a cold meal--six to eight dekagrams of mixed fruit jelly--the delicacy in the camp.

It was terrible to watch what people were capable of doing. They set aside their bread, then made tiny pieces out of it. They spent an hour or two doing this. They mixed up the jelly with a little bit of water, then poured the mixture on the bread and this became the dessert.

[QUESTION] How did you spend that brief free time in the barracks?

[ANSWER] Hard work, lousy food and lots of harrassment tired us out. We felt that if this condition lasted for years, spiritual numbness would be unavoidable. We lived like hunted animals. To defend ourselves, we discussed various subjects in the evenings. Someone taught German to the others, there was one who talked about the dramatic works of Shakespeare, and another one who was able to recite Hamlet. Engineers lectured on physics, and we debated some economic issues. We tried to preserve our intellectual vibrancy so that we would not give up. This kind of activity was strictly forbidden, of course. We had to watch that the squeelers don't report us. After a while we knew of each inmate whether he was reliable of if he was stool pigeon of the AVH. There was only one book in Recsk. One of our friends brought the Bible along from Kistarcsa and was able to rescue it at every turn. He loaned it to others too, but then, a year and a half later they found it at one of the room checks. It was taken away and he was beaten up.

[QUESTION] What did you know about the world? What did you think was happening on the outside?

[ANSMER] There were very few opportunities to obtain some news. We checked even the latrines of the AVH-we fished out pieces of newspaper and dried them-that's how we tried to keep informed. We were not permitted to talk to each other. We didn't have much hope, only that blind human trust in the future-eventually something must happen. We didn't know how life evolved on the outside, all we knew was that horrible feeling of suppression. This made us conclude that the regime is assured as to what it was doing, even though we could have perceived this as a sign of weakness. We didn't know anything about debates within the Party. We learned about Stalin's death through some inmates who worked as bricklayers at the guard barracks. They noticed that in the dining hall Stalin's picture received a black frame. The news evoked frantic reactions, within moments the entire camp knew. There were some who made somersaults, others seemed to have gone insane, simply because a ray of hope appeared. It was even more encouraging that the celebration was not followed by reprisals, even though they must have known about it. There was silence for a while, then, after two months or so they received orders that nothing had changed. They resumed their earlier practice.

[QUESTION] How did you defend yourselves against the squeelers?

[ANSWER] Whoever was called for questioning became isolated. It had happened that someone was questioned and then put to jail. Thereafter he became a cook. This sequence indicated that they are expecting something from him and that he agreed, this is why he was being placed into the kitchen, an act that was tantamount to saving his life. Generally we were able to find out whether the exclusion from among ourselves was just. It had happened that people were transferred from one barracks to the other. There had to be a reason for that, so we watched that individual. The AVH people tried to preserve the semblance [of squeelers having remained inmates], but one way or another they had to keep in touch, they wanted to cash in on the squeelers. Periodically they floated rumors. At one time they announced that a UN committee had dealt with internment camps in Hungary. Just how such news could enter the camp was suspicious. And the news items they purposely planted to test us arrived in a different way than those we accidentally learned.

[QUESTION] Had there been serious squeelings--have they reported organization, attempts at escape?

[ANSWER] Organization did not take place. I recall two escapes. The first one occurred when the dual barbed wire fence was still incomplete. It was an individual attempt—as a reprisal they arrested the escapee's father and brother. After capturing the escapee, the family was released only after a lengthy period of detention. Our friend got three years. Fate favored him: he was not returned to Recsk. The court deducted the time he served in Recsk from his three year sentence. He actually got out earlier than we did.

A large-scale escape took place in May, 1951. It is connected to the name of Gyula Michnay. He was the one who planned and organized the entire thing, and of the 8 escapees he was the only one not captured. There was a small

workshop in the camp: a repairshop for boots and clothing, and the AVH people had their uniforms fixed there. The taylors who worked there acquired an AVII coat and a cap. They made a machine gun out of wood, one of them wore the uniform and escorted his friends to a workplace outside the camp, outside of the fence, to the ammunition storage facility. This happened on a Sunday around 9:30. They discovered the escape two and a half hours later. Michnay arrived in Budapest, but the rest were cought within a few days in nearby The AVH people told us that about 30,000 had been forests and fields. mobilized to catch them. The story continues in two directions. Those cought were returned to the camp and were brutally beaten. Internees were selected from each barracks--they had to continue the beating of their fellow inmates. They blamed the deteriorating treatment of prisoners on the escapees. ones selected to beat their fellow inmates experienced a terrible dilemma. If they did not hit hard, they would be beaten, but at the same time they were beating their fellow inmates ...

[QUESTION] Did the guards take revenge on you too?

[ANSMER] They went through the barracks that same evening. They played some tricks: those in lower bunks were supposed to go to one end of the room, those in the upper bunks to the opposite end of the room. Then they called each one of us individually and repeatedly slapped us in the face. Alternatively, they ordered us to lay down on the floor, but it was impossible to do so in the tight corner, we had to lay on top of each other. The guards screemed then jumped with their boots on top of the immates. The neighbors of all the escappees were jailed, even though they had no knowledge of the attempt. Michnay's conspiracy was well done.

[QUESTION] You mentioned that he succeeded in escaping. What had happened to him?

[ANSWER] Originally he resided near the border—he was a clever man, he spoke German. If I recall correctly he was brought to Recsk because he smuggled some people across the border. On the night of his escape he reached Budapest. He gained some strength then started out toward the border. He made it across. Incidentally, once outside, he wrote a report about his experiences. But outside Hungary they did not believe that there was a place such as Recsk, even though he mentioned some 600 names. Western espionage agencies thought that he was sent to infiltrate them. They considered it as impossible that someone could escape from Recsk and recall so many names. I can imagine how shocked and disappointed he must have been when they did not believe him. There are several more interesting details connected with his name—the "Tiger," in other words Prench Prime Minister Clemenceau's son had married Michnay's aunt. She too dismissed the story saying that in his childhood Julie used to tell lies.

[QUESTION] How many of you died in the camp?

[ANSWER] About 80. Most of them died as a result of physical deterioration. Those with the slightest organic problem did not require a lot to be destroyed during the two year period--considering hard physical labor, the feeling of persecution and the incredibly lousy food. Several were injured in the

quarry, there were hardly any actions to prevent accidents. One civilian quarry man came to that place but he too screemed a lot. We called him the quarry's horror--always half drunk, he was a thin, devlish person. There were accidents in the process of cutting wood. It happens even with skilled, strong persons, let alone with us who suffered from lack of nutrition. By the end of the day we were indifferent, our ability to react had been reduced to a minimum.

[QUESTION] Under such circumstances one's own survival may endanger the other's ...

[ANSWER] Indeed. There were some who were unable to think any longer-an inner feeling of being persecuted took hold of them. They worked themselves to death. This was not because they wanted to serve the commandants. They could not think anymore. They could not tolerate if another immate "sabotaged" the effort and did not work as he did. They feared reprisals and a reduction in food rations. Whoever was cought in this feverish work urged the others to do the same. It did happen that I stated that we had gone down 90 times already while in reality we had done so 80 times only, but they were unable to count anymore. On other occasions I was paired with individuals who just rushed and rushed to load that hand-held carrier then run down and back again.

There were some assignments that were viewed as the jackpot. That of the latrine attendent, for instance. There was a dish tied to the end of two poles: it served to empty the contents of the latrine to be transported to the sanitary dump. The first day was terrible, but after a week we could not sense the smell anymore. I was there with an acquaintence, we took our precious time in walking with portions of feces. This month-long duty meant a lot to me--my body was able to somewhat regenerate itself. Then again they reorganized the latrine duty and I was returned to the quarry.

[QUESTION] Were there any visitors to the camp? I'm not thinking of relatives, of course--I'm thinking of guests from the AVII, from Party headquarters.

[ANSWER] Yes, they did come, but we were not convened in their presence. We saw a group lead by Skicap and Messy Hair approach the guests, we thought it was some kind of a VIP who had come to inspect us. We didn't know what they wanted—we lived in total seclusion. The only thing they announced were twelve divorce decrees. Imagine, you have no contact with the outside world and suddenly twelve inmates are being called and they return totally devastated. As it turned out their wives sued for divorce and this fact was announced. Many of these inmates mastered the bitter situation by saying that divorce is taking place because the wife wanted to save herself—she was smart—she too had to survive this period.

At one point they announced that those whose entire brigade achieved the norm may send a letter home. Our families knew nothing about us, they thought we had been taken to the Soviet Union. This seemed like a great opportunity, especially for newlyweds. Everybody started to work hard, everybody, that is, whoever had some strength left. In the end, 22 of us were permitted to write

letters. They took the letters by saying that these men worked hard. But no replies came. In the end it turned out that the letters had not been mailed at all. The AVH people had a good laugh over the letters, then threw them away.

[QUESTION] What legacy is there to your three years at Recsk?

[ANSWER] The way I see it, most of us lost all our initiative. Following our release in 1953 we got into an awkward situation. The camp had been liquidated yet we had not been rehabilitated, even though they stated that the camp was a violation of laws. Only a very few were lucky enough to be cleared though a judicial proceeding. Most of those from Recsk left Hungary in 1956. Those who stayed at home have a strong sense of keeping to themselves, most of them keep away from everyone, they are not seeking out their old friends from Recsk. They still have that fear, they see a squeeler in everyone. Efforts have been made both from within Hungary and from abroad to rehabilitate us. After all it would make a difference to be able to account for those three years of hard labor-whether the government recognizes it or not. Those years do not count toward our pension, even though presumably we were registered with the social security system. Most likely they registered us under false names. But we were listed-we were the workers of KOMI [Stoneworker Industry Organization]. Well, that's how it is, even today they do not talk about those years.

12995 CSO: 2500/75 POLITICS . POLAND

# BLALYSTOK PZPR FOCUS ON IDEOLOGY TRAINING

Bialystok GAZETA WSPOLCZESNA in Polish 20-21 Sep 86 p 2

[Article by (aw): "Meeting of the Executive Board of the PZPR Provincial Committee in Bialystok"]

[Text] At the meeting on 19 September, the Executive Board of the PZPR Provincial Committee in Bialystok evaluated the professional situation of establishments promoting culture and artistic institutions of the province.

It follows from the materials presented that new legal provisions concerning culture, as well as political and organizational actions, the work of party echelons and administrative units of culture undertaken recently, have brought about invigorating the operations of artistic and cultural promotion institutions.

In the second item on the agenda, the Provincial Committee Executive Board adopted the program and organizational guidelines for party training in the years 1986-1987 in Bialystok province. The program of training for this year will be implemented on the basis of a modified system. Its basic goal is to better prepare party members for undertaking the tasks set by the 10th PZPR Congress. The changes made are designed to acquaint party members more profoundly with the premises of its policy and to stimulate interest in Marxist-Leninist theory. At the same time, party members will have more opportunity to take part in the forms of training which take into account their interests. The new model of party training includes elements already proven in years past, which have met with the approval of party members.

Among the changes introduced, training meetings aimed mainly at interpreting key political issues in the country and international affairs deserve a special mention. Teams of ideological indoctrination, ideological seminars, and schools of rural aktiv are new forms of training.

The Executive Board of the PZPR Provincial Committee also heard a report on the socio-political situation in the province.

9761 CSO: 2600/116 POLITICS POLAND

# KATOWICE NOTES PARTY MEMBERSHIP GROWTH

Katowice TRYBINA ROBOTNICZA in Polish 16 Sep 86 p 3

[Unattributed article: "Five Thousand Candidates"; passages in slantlines printed in boldface]

[Text] Close to 5,000 persons have become party candidates this year to date in Katowice province. At present, for every person dropped from membership rolls or expelled from the PZPR, there are two persons petitioning to join the party. /Workers and young people account for most of those joining. In Wodzyslaw, for example, there were 104 workers among the 142 persons who have received candidate cards this year. This is also the case in Rybnik, where party ranks are augmented mainly by young manual workers in Jankowice and Chwalowice mines and the Rybnik Machinery Factory./

This is happening in organizations which are able to mold an appropriate political climate in the workforce, to solve efficiently the problems of concern to the employees, and carry out training properly. Out of many, we can mention the Sosnowiec city party organization, and especially the Sosnowiec mine, the Silesia enterprise and the Sosnowiec branch of the ZPO [Garment Industry Association] Bytom. At the same time, a precandidate group, 14 persons strong, has been organized in Jaworzno III power plant. Nine persons from this group have already become party candidates.

9761 CSO:2600/116 POLITICS POLAND

# 'MINUTES' OF PZPR CONTROL-AUDITING COMMISSION MEETING

Warsaw TRYHUNA LUDU in Polish 17 Sep 86 p 3

[Report by Izabella Wajszczuk and Krzysztof Stanislawiak: "Course of Proceedings"; passages in slantlines printed in boldface]

[Text] /According to our announcement yesterday, we are publishing today an extensive report on the proceedings of the 2nd Plenum of PZPR CKKR [Central Control and Auditing Commission] which was held on 15 September./

Member of the PZPR CC Politburo, CKKR chairman, Wlodzimierz Mokrzyszczak, who also chaired the proceedings, presented a report on the tasks of control and auditing organs in implementing the resolution of the 10th Congress (we are publishing extensive excerpts from the report following the present piece).

After the report was read, the CKKR deputy chairman, Tadeusz Nowicki, presented a draft CKKR statute. In the discussion on the content of the report, opinions on the draft statute were also presented. Fourteen speakers took the floor.

Bronislaw Sitko, CKKR member, said that improving the forms and methods of preventive work is one of the most important tasks the control and auditing commissions are facing. Social groups which have influence on upbringing and molding the attitudes of young people should be given special attention in preventive activities. He stated that irresponsible educators and teachers have done enough harm to the young generation. Apart from the activization of social and youth organizations, work with parents who are party members should be stepped up. This work cannot be stopped for a single moment. Struggle against various manifestations of antisocial behavior should be waged just as vigorously.

Zbigniew Brunke, CKKR member, stated, among other things, that quality and insight rather than quantity and statistics are the indicator of good work.

With regard to adjudication, he suggested that the emphasis be shifted from the commissions to the POPs [basic party organizations]. After all, experience to date shows that the POPs do not always respond to unethical or illegal practices by their members. Stefan Rutkowski, chairman of the Party Control Commission of the Polish Armed Forces, said that assistance to the less active basic echelons should be a foremost task of the commission in its new format. The increased influence of such POPs in their communities should be the goal of such activities. He said that in our adjudication work, we still come across harassment of people for their critical attitude. Among other things, this is the reason why we see few adjudication decisions at the POP level.

Eugeniusz Dobrzynski, CKKP Presidium member said, discussing the current direction and goals of party work, that there still are many POPs, especially in small enterprises and communities, and in rural areas, which need help. It is the great duty of control and auditing commissions to provide such help.

Also, work with non-party members and with candidates joining the party should be emphasized more.

Antoni Szczucinski, CRRP member, pointed out the difficulties which may occur in control and auditing activities. "In discussing actual results of work, we often base our evaluation only on paper evidence. This is why in many instances we must trust our experience, political knowledge and common sense."

An interpretation, a political answer is needed in order to adjudicate and evaluate. There are still many questions concerning the ethics of social, political and economic life which must be answered. Perhaps, the CRER should give the impetus to scientific research on solving these problems.

Andrzej Stawiarski, CKRR member, recalled that the CKRR uses in its work the positive example and experience of the auditing and party control commissions operating to date. People, their knowledge and experience, are the best heritage left by these commissions. These cadres should be used skillfully in, among other things, various control bodies and organs.

He also suggested that in the new 5-year term the number of repeat inspections be increased, for which the commissions have not had enough time thus far, because the 2.5 year term was too short.

Celina Wegrzyn, CKKR member, referred to the important tasks for all party members and elements set by the 10th Congress, including the tasks awaiting the newly formed CKKR. The eyes of party members and the entire populace are turned to us, she said. It is common understanding that the commission is the conscience of the party. This is why we must prevent indifference and ball habits from creeping into our work.

She also offered remarks and additions to the draft CKGR statute.

Jan Wieczorek, Wrocław WKR [provincial auditing commission] chairman, pointed out the specific tasks party elements face in implementing the resolution of the 10th Congress. Translating congress documents into specific individual and group tasks is one of the basic requirements for their full implementation, he said.

Speaking on behalf of the chairmen of provincial review commissions, he relayed best wishes to the CNNR members.

Jozef Kosciarz, CKKR member, proceeding from the experience of the WKKP [Provincial Commission of Party Control] in Piotrkow Trybunalski, talked, among other things, about the negative aspects of POP work manifested in, for example, the lack of documentation, poor knowledge of the statute etc. Educating the aktiv at various training sessions is one of the ways to correct this situation.

Warning conversations, designed to counteract eventual consequences of objectionable performance or an immoral attitude, are also an efficient method of influencing the attitudes of party members.

Wladyslaw Honkisz, CROR member, head of Personnel Policy Department of PZER CC, emphasized the positive experience and conclusions which the CROP [Central Commission of Party Control] and CRR [Central Auditing Commission] have left behind. He pointed to the achievements of these commissions, including the soundness of evaluations of personnel policy guidelines.

He stated that the authority of our party is built by its members in key positions. Their attitude is watchfully evaluated by our society. Unfortunately, persons who do not meet the criteria of ethics and morality are still too often nominated to these positions.

He appealed to the CKKR members to, among other things, make the guidelines for personnel policy public and comprehensive in order to cleanse the policy from favoritism, special arrangements etc.

Krzysztof Sopala, CKKR member, said that party members are not the only ones counting on the strengthening and efficiency of party actions in the sphere of social justice. The lack of political supervision of many control bodies and organs results in them controlling exclusively paperwork.

Recently, a lower level of substantive work in enterprise committees and basic echelons has become apparent. Little attention is paid to the implementation of the resolution of the 10th PZPR Congress; instead, there is a lot of talk about the elections and personnel changes.

Jerzy Szulc, CRXP Presidium member, addressed the necessity of standing up to the evil which we encounter in everyday life. We as party members must inspire others by being an example, he said. The authority of the party is created by its members themselves. The ranks of the party grow where this authority is high. In our cooperative, we bet on the "restive" people, i.e. those who are good professionals but tell you the truth to your face. The results were not long in coming, economic performance has already improved considerably.

Roman Golebiowski, CKKR member, referred to some points of the draft CKKR statute in his statement. Among other things, he suggested that adjudicating teams of CKKR be reinforced in practical work by the inclusion of representatives of lower echelons and the POPs.

Kazimierz Maszerowski, CKKR member, discussed the unused opportunities of efficiently translating the resolutions of the 10th PZPR Congress into specific economic tasks. He also pointed to dangers which the evaluation of work positions may entail. I believe, he said, that under the pretext of rational assignment of personnel, attempts to get rid of the "unaccommodating" persons may be made. We must see to it that those who struggle against injustice do not become its victims.

After the discussion ended, the CRNR statute and a plan of activities by the commission until the end of this year presented by the CKKP Deputy Chairman Jan Wilk were adopted. Vigorous participation in preparing the auditing and control elements for reports-and-elections conferences will be the main task of the CRNP during that period.

Finally, CKKR Chairman Wlodzimierz Mokrzyszczak took the floor. With reference to the discussion, he recalled once more the need to prepare for each inspection carefully and precisely. When evaluations are compiled, each one of them should be soundly verified and documented.

/ He stressed that the good and rich experiences of the Commission of Party Control and the Auditing Commission will be helpful in this work. Taking advantage of the presence of WKR [provincial auditing commission] and WKKP chairmen, he expressed his heartfelt gratitude to them for their work to date. This was difficult work, but the kind which the party needed very much./

Singing of the International concluded the proceedings.

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# KRAHOW PZPR CONTROL COMMISSION CONCLUDES ACTIVE YEAR

Krakow ECHO KRANOWA in Polish 8 Sep 86 p 2

[Article by (rtk): "Last Plenum of the Krakow Party Control Commission"]

[Text] The Krakow NKP [Commission of Party Control] met on Friday, with CNSP [Central Party Control Commission] Presidium member, Krakow KKP Chairman Leonard Zukiewicz chairing the proceedings. Among others, PZPR CC member, First Secretary of the Krakow Committee Jozef Gajewicz, CNSR [Central Control and Auditing Commission] members Krzysztof Sopala and Jan Maj, the Krakow PZFR Committee Secretary Wladyslaw Kaczmarek, as well as heads of departments of the Krakow PZPR Committee and representatives of the leadership of the prosecutor's office, the NIK [Supreme Chamber of Control] the IRCH [Workers' and Peasants' Inspectorate] and other institutions cooperating with the control organs of the party took part in the proceedings.

The meeting was scheduled to approve a report on the activities in the past term. Also, it was the last one within the old structure, since the forthcoming PZPR conference in Krakow will nominate a single control and auditing commission instead of two, pursuant to the amendments to the PZPR statute adopted by the 10th PZPR Congress.

Operation of the Krakow KKP in recent years has been very fruitful. Aside from being a party court evaluating the compliance of attitudes and actions of party members with the statute and resolutions of PZPR, the Krakow KKP has evaluated many communities and invited the attention of party organizations and echelons to the unfavorable phenomena surfacing.

Preventive activities could be more efficient and broader in scope if the party organizations to which the members belong spoke up more frequently on their objectionable attitudes and actions. Meanwhile, an overwhelming majority of cases reviewed by the adjudicating teams of the Krakow NOP were initiated as high as the provincial level.

Those taking the floor in discussion (we should mention, among others, Jan Wsolek, Rajmund Jasinski and Stanislaw Stepowski) spoke about the difficult work of the commission in the past term. They stressed that the role of the commission in any organizational format has been and will be not only disciplining, but also pointing out exemplary organizations and people,

evaluating them reliably, and in case of a need, defending them against slander and unfounded attacks.

First Secretary of the Krakow PZFR Committee Jozef Gajewicz also highly praised the activities of the Krakow KVP. In talking about the work of the commission members, he expressed his satisfaction and hope that many of them will contribute their experience to the operation of the new body.

In the course of the proceedings, a group of distinguished functionaries were decorated with state awards. Anna Mielczarek received the Cavalier Cross of the Order of Rebirth of Poland.

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ENGELS HAILED FOR VIEWS ON 'SCIENTIFIC SOCIALISM'

Bucharest ROMANIA LIBERA in Romanian 28 Nov 86 p 5

[Article by I. Butnaru: "The Creative and Dynamizing Spirit of Scientific Socialism"]

[Excerpts] The 166th anniversary of the birth of Friedrich Engels, philosopher of impressive erudition and insight, brilliant theoretician, who, together with Karl Marx, worked out, by means of a vast scientific-philosophical, economic and political activity, a new concept of the world and life, scientific socialism, is one of the great anniversaries in the history of the world revolutionary and progressive movement, which is constantly present in the awareness of the Romanian Communists and of all our people. It is an occasion for expressing everlasting esteem for his essential contribution to the establishment of dialectical and historical materialism and the revolutionary theory of the working class, by emphasizing the historical role of the proletariat and of the class struggle as a motivating force of history, by the philosophical generalization of the scientific discoveries of the period, by the elaboration and defining of the system of categories of dialectical materialism in fundamental philosophical works such as: "The Dialectics of Nature," "Ludwig Feuerbach and the End of German Classical Philo ophy," and "Anti-Duchring."

His works, like those of Marx and Lenin, have been published and are being published in numerous editions in our country. Revolutionary social practice and the achievements of the sciences have brilliantly confirmed the value of the work of the founders of scientific socialism, of the working class view of the world and life formulated by Marx and Engels, enriched by Lenin and continually developed by the communist and workers parties, a concept which has fully proven its viability, its profoundly scientific, unitary character, as well as its militantism and its transforming, revolutionary and progressive force.

The virulence with which reactionary bourgeois ideology is currently waging real campaigns to denigrate, distort and combat scientific socialism is, in essence, another proof of the value of the revolutionary theory of the working class, the only theory which can assure the triumph of progressive forces and the replacement of the "crude and unjust" system of the exploitation of man by man with a new system, one of complete freedom and justice and human dignity—the socialist and communist system.

The knowledge and continuing development of scientific socialism is a basic condition for socialist construction, for the creation of the new man, a conscientious and committed builder of socialism and communism, an order which was strongly emphasized by the secretary general of our party, Comrade Nicolae Ceausescu, who, in his report to the 13th Congress of the Romanian Communist Party, stressed that: "It is necessary to ensure the study of Marxist-Leninist philosophy, of the basic works of Marx, Engels and Lenin, as well as other contemporary theoretical works." Also, the leader of our party and state stressed the need for the creative assimilation of this philosophy and for its continuing enrichment, as a condition for respecting the real spirit of this work, in its antidognatic, living, militant essence.

On the basis of this fundamental viewpoint and the determination that the revolutionary process has not been completed and that, in fact, it will constantly accompany the process of the building of a new society, the secretary general of our party is giving a noble example of creative revolutionary thought and activity in the sociopolitical and economic spheres, by devising a vast theoretical and practical work, a profoundly original and scientific unitary and harmonious viewpoint on the basic problems of building socialism in Romania and advancing our country toward communism, under the concrete socioeconomic conditions of its historic development.

Full and consistent involvement, with a revolutionary spirit, in the implementation of the programs for the development of the country adopted by the 13th party congress, for the building of socialism and communism in Romania, for the final triumph of the great ideals of social freedom and justice, for which Fr. Engels militated in all his works throughout his life, is the supreme homage which the communists, the workers and all our people are paying on this day to the great founder of the revolutionary theory of the proletariat.

/6091 CSO: 2700/77 POLITICS ROMANIA

PERCEPTIONS OF MAJOR 1821 FIGURE IN BANAT, TRANSYLVANIA

Bucharest REVISTA DE ISTORIE in Romanian No 8, Aug 86 pp 795-801

[Article by Virgil Joita]

[Text] The revolution led by Tudor Vladimirescu, which was 165 years ago, was a historic event with profound reverberations in the consciousness of the Romanian people.

In 1921, on the 100th anniversary of it, Ioan Georgescu, literary secretary of the Astra cultural society in Sibiu, published a brochure for distribution in which he asserted that "master Tudor of Vladimiri, this Avram Iancu of Oltenia, is too little known" among inhabitants over the Carpathians. Research of various documentary sources refutes such an evaluation, with Tudor Vladimirescu being included along with Horea, Closca and Crisan and Avram Iancu as one of the representative personalities of national history in the consciousness of the Banat and Transylvanian Romanians.

Even from the time that the revolution of 1821 took place, the noble authorities in Transylvania were associating his program with that of the peasant uprising of 1784 led by Horea.

In 1822, less than a year after repression of the revolution, a one-act play entitled "A Fallen Vulture is Still a Vulture" was presented in Brasov, attributed to Ionita Cretescu, captain of the pandoors, a friend and collaborator of Tudor's, being a first dramatic portrayal of revolutionary events, with the play's title as obvious as possible.

In 1826, Simion Mehedinteanu and Ghita Cutui, participants in the revolution, attempted to launch a new revolutionary action in Wallachia and to pick up Tudor Vladimirescu's program. Set up in Orsova, they made contact with the boyar Toma Bratianu, refuged in Brasov, intending "to get out of the country from more than one place and to make an uprising for reformation of the people."

In his interesting "Chronicle of Banat" written in 1827, the scholar and representative of the enlightenment Nicolae Stoica of Hateg presented to the readers many episodes from Tudor Vladimirescu's activity, which he learned from up close during his travels to Herculane, Mehadia and Orsova before 1821. The Banat historian captured in a laconic formula the anti-Phanariot nature of the revolution, writing that Tudor "had broken the Greek boyars."

In the period preceding the revolution of '48, the information of inhabitants of Transylvania on the importance of the 1821 revolution increased the grace of the publicist concerns of George Baritiu. In the October-December 1844 issues of the magazine "Paper for the Mind, Heart and Literature," Baritiu published Nicolae Balcescu's studies entitled "Army Power and Military Art From the Founding of the Principality of Wallachia Up to the Present," as well as "Romanians and Phanariots," in which the young historian made an analysis of the social causes of the revolution led by Tudor Vladimirescu, also bringing out the features of its military organization.

The revolution of 1848, continuation of the one begun by Tudor Vladimirescu on a higher level, was a point for bringing up to date the importance of the events of 1821. In the 20 April 1848 issue, G. Baritiu published in "Magazine of Transylvania" a broad article dedicated to the political and social premises for the '48 revolution, the struggle of the Romanian nation to eliminate foreign domination. Numerous references in the article were made to the social and national significance of the 1821 revolution.

Like Nicolae Balcescu, Baritiu felt that the revolution led by Vladimirescu was an internal, Romanian phenomenon and not the result of external factors: "So any people or country is reborn, truly regenerated, when the regeneration comes right from within them and not from a foreign hand, whatever it is." Showing that Tudor "was the avenger of Moldavian-Romanian freedom," G. Baritiu noted that his revolutionary proclamations brought out "love for justice," that they attempted "to regain the country's freedom." The revolution of 1821, "the most partriotic revolution in the world," had particularly important results for the political evolution of the Romanians: "Foreign rule ceased; especially after they were cheated so many times by the Phanariots, they saw themselves forced to give national princes for both and Romanian patriotism triumphed." Tudor Vladimirescu, the Transylvanian revolutionary found, would remain "a glorious name" in the history of the Romanian people, since he reestablished politically "the national principles and old institutions of the country." In another article entitled "The Revolution of the Romanians. Russia. Organic Regulations," published on 12 June 1848 in the "Paper for the Mind, Heart and Literature," Baritiu felt that the Romanians had regained their independence and freedom in 1821 when "the Romanian people were rid of the Turks and Phanariots by Tudor Vladimirescu."

In the years of the struggle for the union of the principalities, the revolution of 1821 and the name of Tudor Vladimirescu were to be mentioned frequently in Romanian publications in Banat and Transylvania.

In 1857 Vasile Maniu, the revolutionary and politician, published in Timisoara a massive work devoted to the continuity of the Romanians from Trajan's Dacia. The book was not limited merely to a discussion of the problem of continuity, composed of a synthesis of the Romanians' history from the beginnings up to the mid-19th century. The Banat historian devoted broad space in the book to the social history, evolution of ownership and relations between the masters of estates and peasants in the middle ages and the beginnings of the modern era in Banat, Transylvania, Moldavia and Wallachia. In this regard he was concerned with the social premises of the revolution led by Tudor Vladimirescu, presenting forms of exploitation of the peasantry according to the reforms of Constantin Mavrocordat, Alexandru Ipsilanti. Showing the social causes ("robbing

of the peasant, his enslavement by the Greek and Romanian boyars"), the author noted that in 1821 "the famous Tudor Vladimirescu—rose in Wallachia, penetrated by the sufferings under which the people under the yoke of the oppressive Phanariots, driven by the feeling of patriotism, by national honor, thirsting after the lost liberty." Vasile Maniu had the merit of speaking within the work "with great understanding of the peasants' rights and the need to emancipate them." What passed almost unnoticed in historiography was the fact that he also discovered differences between hetaeria and the Romanian revolution, writing that "the goal of the Romanians revolting was not to get out from under the sovereignty of the Porte but to shake off the tyrangs of the foreign rulers and reenter their old rights, which had been violated," while the program of hetaeria was based on "the protection of Russia" and on the "Russian march of Ipsilanti."

In Maniu's concept "the undertaking of the brave Tudor" had results which were "very thriving, since they awakened a numbed feeling in the people's hearts. Moldavia-Romania could take forward their struggle for independence," and with Tudor Vladimirescu's era "all the reforms one could hope for" were inaugurated.

In the 3 June 1859 issue of the well-known publication Paper for the Mind, Heart and Literature," the historian C. D. Aricescu, future monographer of the revolution, published the article entitled "The Death of Tudor Vladimirescu." Based on narrative sources (Chiriac Popescu, Mihail Cioranu, hetaerist sources), he presented to Transylvanian readers the tragic death of the hero of the Romanian revolution, who together with the people had risen in 1821 the banner for the independence and position of his country and for its rights had put on the cloak of death." C. D. ARicescu dwelled in particular on the need to gain the country's political independence by eliminating Ottoman domination. The article ended with the conclusion-warning which was particularly significant: "History is the doom of the past; it serves as a lesson for the present and shows us the road to the future. The nation, just like the individual who does not know how to profit from his experience, is destined to die, no matter what his resources, no matter how favorable his fate is!"

Published in a prestigious Romanian journal from over the mountains shortly after the union of Moldavia and Wallachia, the article indirectly, through the example of Tudor Vladimirescu, suggested the need for supporting the action of the ruler Al. I. Cuza, who in June 1859 had initiated a number of measures to strengthen the country's defense capability in order to prevent a future military intervention of the Porte. This same magazine printed an article by Collion Voinescu on 7 April 1860 entited "Casting an Eye on the Events of 1821," reproduced from "Magazine of the Carpathians." The preliminary note, its style due to G. Baritiu, along with the author's presentation and the importance of the article, dwelled on the significance of the revolution led by Tudor Vladimirescu, who, raising the banner of struggle for emancipation, ensured "the salvation of the Romanians from the rule of the Phagariots and reinvesting of their nationality with their rights of independence."

In 1871 the scholars and publications in Transylvania gave special attention to the revolution on its 50th anniversary. In many issues the magazine "Transylvania" published a number of materials (documents, articles, studies) on the 1821 revolution. Entitled "A Historical Document of 1821," the magazine published

in issue 4 the so-called "political dialogue" between Alexandru Ipsilanti and Tudor Vladimirescu, kept in the travel notes of A. Veltman, a Russian officer, who also would be included later by C. D. Aricescu in his synthesis. The document was accompanied by an editor's note which stated that "this is the first and last conversation between Ipsilanti, head of the Greek hetheria, and Tudor Vladimirescu, head of the national insurrection, following which, fearing Ipsilanti, they assassinated the Romanian hero by treachery." George Baritiu published a series of articles on the subject of "Moments in the History of the Phanariots," in which, by taking up Nicolae Balcescu's theses, he presented in extremely critical terms the Phanariot regime. The article continued with other "Moments From the Modern History of Greece," in which the Transylvanian historian, proving his high historiographical qualities, integrated the Romanian and Greek revolutions in the context of the struggle of the peoples of southeastern Europe against foreign domination.

A true political portrait of Tudor was presented by Baritiu in the 1 June 1871 issue of the magazine: "However, Theodor, besides the fact that by nature he was severe, and then due to the unheard-of oppressions and brutalities to which his country and nation were subjected, he harbored impassioned hatred not only for the Turks but also the Greek Phanariots, who under Turkish protection had pushed the country to the edge of death. Theodor was also something else, an astute (crafty) man or, speaking more clearly, to some degree he had some prudence, which he had to have as a person who was proposing to get his nation and country out of servitude and death. He issued his well-knowns proclamation in which he told the world he did not rise up against the sultan but only against his tools, which were the Phanariots and boyars. We understand that this step of Vladimirescu's could not be agreeable to Ipsilanti."

On 6-18 June 1871 the Romanian Society celebrated the 50th anniversary of the revolution led by Tudor Vladimirescu on the plains of Cotroceni. At that time, B. P. Hasdeu and Grigore Tocilescu gave festive speeches loated with historical significance and patriotic vibrations. Transylvania magazine published the article "The Romanian Society and Tudor Vladimirescu" in July 1871, which described the festivities in Bucharest, in particular praising the ideas stated by B. P. Hasdeu. At the same time concise considerations were being made on the significance of the 1821 events, stressing that there "are 50 years since the death of this hero of the Romanian nationality, who martyred himself in order to give the Romanians independence and national sovereignty usurped by the Phanariots." At the end he expressed the hope that the Romanian Society is At the end he expressed the hope that the Romanian Society would celebrate the 1821 revolution each year and Tudor Vladimirescu's memory, so that they "take the place they deserve among the national traditions" and remain forever inscribed in the consciousness of generations. The magazine promised to publish B. P. Hasdeu's speech in one of its issues. In a period when many Romanian publications were suppressed, probably the censorship of the Austro-Hungarian regime, feeling the ideas contained in the speech were dangerous, did not approve its publication in the Transylvanian magazine.

That same year, 1871, with his theater troup Mihail Pascaly organized a long tour in Banat and Transylvania, with "Tudor's Uprising, "being included among the "national historical" plays in the repertoire, a drama in three acts dedicated by Pascaly to the 50th anniversary of the revolution. Between 13-25 May 1871 Mihail Pascaly gave six plays in Brasov with this drama, and it enjoyed good

reception from the audiences. 30 At the end of May other plays were presented in Sibiu and them in June-July 1871 in Oradea, Nasaud and Cherla, where the play was presented with the title "The Peasant From the Time of Tudor." The series of plays continued in Arad between 1-16 August and in Timisoara between 15-25 August 1871, where "Tudor's Uprising" with Mihail Pascaly in the title role, was seen as "the crown of representations." The play had a large audience among residents of Banat and Transylvania, since it broughtout the "peasant's courage and patriotism and high character of Tudor Vladimirescu: it exalted his love for the people and stimulated the struggle against national oppression."

On the eve of the war for Romania's full state independence, the revolution under the leadership of Tudor Vladimirescu was brought out in publications over the Carpathians as an historic point of intensification of the struggle for independence and the beginning of a new age of social-economic and cultural development of the Romanian people and, at the same time, as a symbol of national unity. The biweekly newspaper "The Latin East" appeared in Brasov in 1874 under the editors Aron Densusianu, Teofil Frincu and Ion Al. Lapedatu, well-known militants for creating the united national state. C. D. Aricescu published in the Brasov periodical the article entitled "The History of the Romanian Revolution of 1871," which was a synthesis of the book which came out then in Craiova in the publishing house headed by Gheorghe Chitu.

During 1877 Aron Densusianu printed a serial-article in the magazine "Family" entitled "The Romanians' Songs of War," in which he gave a history of the evolution of patriotic poetry in Romanian literature, finding that this poetry began "at the same time as the era of Tudo: Vladimirescu."

Following achievement of the country's full state independence, under conditions of intensification of the struggle to create the united national state, Tudor Vladimirescu and the revolution he headed were presented in publications over the Carpathians in close connection with fulfillment of these national ideals. An article entitled "The True Proclamation of Tudor Vladimirescu" was published in "The Magazine of Transylvania" in 1880; it brought out the social and national significance of the "demands of the Romanian people."

On 7 May 1882 the tricolored flag of the revolution led by Tudor was donated by the heirs of Ion Cacaleteanu, commander of the artillery in the pandoor army, thus entering the national heritage. Many reports appeared in publications in Romania and over the mountains on the occasion of this national ceremony. In "Transylvania" and "The Observer" of Sibiu, edited by G. Baritiu, Lt Col Dimitrie Papazoglu published articles on the national significance of the "banner" of the 1871 revolution. Based on his memoirs but also on the notes of his father, a participant in the revolution, Dimitrie Papazoglu gave a broad presentation of the events of 1871, dwelling on the flag or "banner with the Holy Trinity," which he saw "marching off." Asserting that the flag had been preserved poorly, Papazoghu pleaded to keep it "in its rags and tears, since only these are our nice souvenirs telling of the glory of our ancestors, be it a flag spotted with blood, a fortress or another structure, be it an inscription on a monument, be it a weapon; it must be kept just as time gave it to us to pass to future generations."

The plagram article in "The Future Dacia," edited by a group of socialis' students in Paris in 1883, asserted the need to continue the national struggle

begun by Tudor Vladimirescu in 1821: "You know what Tudor did before these injustices; we shall try to fulfill what Tudor would have liked to be done. We will strike the rulers of all kinds and all nations in order to crush the yoke pressing on the Romania, no matter who they are."

Among the permanent collaborators of the magazine we note in particular Grigore Maniu, a socialist with interesting and original ideas, and son of the historian and revolutionary Vasile Maniu. He published many theoretical articles of social, economic, and historical criticism in the magazine. While the magazine was being published in Paris Grigore Maniu "lived in the residence of the editors and administration."

Writing his synthesis on the history of Transylvania in 1891, in a period when the memorantist movement was entering its maximum phase, George Baritiu felt that "the awakening of Tudor Vladimirescu" was included as an important event among the European revolutionary movements, with its bringing out the powerful solidarity with the Romanians living under Habsburg domination.

In Brasov Alexi Theodor printed a small brochure in 1906 which stressed the ties between "master Tudor" and "Cuza Voda," ties which were at the basis of the two political leaders' constant concern with the situation of the masses and with gaining independence and achieving state unity.

In 1908, when the Austro-Hungarian dualist regime was initiating new political and cultural measures against the Romanians, the socialists from Transylvania were calling up historical events for national unity and the personalities of Mihai Viteazul, Horea, Closca, Crisan and Tudor Vladiwirescu, "the leader of the pandoors, who in 1821 freed Romanians from the yoke of the Greek and Turkish oppressors."

On the 90th anniversary of the event, in 1911 the well-known militant for national unity Vasile Goldis published in the nawspaper "The Romanian" in Arad an article of nomage stressing the idea that the revolution led by Tudor Vladimirescu represented the beginning of the national reawakening of the Romanians: "The seed of liberty, thrown by him and even sprinkled with his blood, sprouted in healthy earth and grew proudly approduced richly and gave superb national harvests in 1848, 1859 and 1877."

The 100th anniversary of the revolution, in 1921, was the occasion for appearance of much material on this subject. "Transylvania" dedicated an issue containing studies of the nature of the revolution and presence of Transylvanians in the pandoor army, the revolution of 1821 and the refugees from Caras Severin and rich literary pages referring to the reflection of Tudor's personality in popular poetry and culture, in prose and drama and in music.

The special interest shown by residents of Banat and Transylvania for Tudor Vladimirescu and the 1821 revolution is explained by the organic ties of these ancient Romanian lands with the other one over the Olt, "Little Romania," and by the fact that the revolution was the expression of the Romanian nation's struggle. Bringing out these permanent ties, Ion Bianu noted that the printing action in "Oltenia, from Rimnic, together with the Transylvanian, from Blaj, began to loosen up the powers of the nation, to raise consciousness. The two sister

national movements for emancipation resulted from the atmosphere created by this action: the one of 1784, the on\_ of Horea with his Apuseni Romanians, and the one of 182145 the one of Tudor's with the Oltenian pandoors, geographically neighbors."45

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- Victor Neumann, "Vasile Maiiu. Historical Monograph," Facla Publishers, Timisoara, 1984, p 72.
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- 33. Vasile Neta, op. cit., p 332.
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- 35. "Magazine of Transylvania," 1880, No 84, p 4.
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- 42. LUPTA, 21 March 1908.
- 43. "Tudor Vladimirescu" in ROMANUL Arad, No 138, 24 June/7 July 1911.
- 44. TRANSYLVANIA Year LII 1921 No 5. The issue includes the following materials: N. Iorga, "Iudor Vladimirescu," drama; V. Alecsandri, "The Dream of Tudor (Popular Poetry)"; Bucura Dumbrava, "From 'The Outlav'" (portion of the novel); I. U. Soricu, "Master Tudor" (3 sonnets); N. Iorga, "Tudor and the Transylvanians"; Gh. Dem. Teodorescu, "The Song of the Pandoors in 1821"; George Cosbuc, "The Oltenians of Tudor" (poetry); Const. I. Moisil, "The Nature of Tudor Vladimirescu's Revolution"; Ioan Boros, "The Uprising of Tudor Vladimirescu and the Refugees from Caras-Severia."
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POLITICS

### BRIEFS

PEOPLE'S COUNCIL CHAIRMAN-On the basis of Article 97 of Law No 57/1968 on the organization and operation of the people's councils, the President of the Socialist Republic of Romania decrees that Comrade Ion Licu is appointed to fill the position of chairman of the executive committee of the Olt County People's Council. [Excerpts] [Bucharest BULETINUL OFICIAL in Romanian Part I No 68, 5 Nov 86 p 5] /6091

RECOGNITION OF ORTHODOX LEADER--In light of the election carried out by the Electoral College of the Church, on the basis of Article 21 of Decree No 177/1948 on the general system governing the religious sects, the President of the Socialist Republic of Romania decrees that Metropolitan Teoctist Arapasu is recognized in the position of patriarch of the Romanian Orthodox Church, to which he was elected by the Electoral College of the Church on 9 November 1986. [Excerpts] [Bucharest BULETINUL OFICIAL in Romanian Part I No 71, 12 Nov 86 p 3] /6091

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POLITICS
YUGOSLAVIA

# NONCONFORMIST LAWYER POPOVIC INTERVIEWED ON EXPERIENCES

Belgrade NOVE OMLADINSKE NOVINE in Serbo-Croatian 12 Oct 86 pp 16-19

[Interview with Srdja Popovic, lawyer, by Sasa Vucinic: "I Am Not a Serb, But a Lawyer"; date and place not given]

[Text] Everything is said about him, but one thing that everyone acknowledges is that he is a splendid lawyer. His only fault is that for more than 20 years he has been "fighting against the government" very successfully, if that is the term one can put on the fact that he has defended almost all the "enemies of the state" before the (people's) court. That is probably why people have begun to consider him....

But among those who "quarrel with the government" he is certainly the strangest, since he requires only one thing—that everyone, and that means everyone, respect the law.

"It is more than 20 years now since the first time that I was defense counsel in a 'political trial.' I defended the late Leonid Seka and the architect Pedja Ristic. Incidentally, Slobodan Masic was also in that 'group.' They and Mihajlo Mihajlov and two other men from Eagreb whose names I do not remember now adopted some kind of 'resolution' in which they advocated political pluralism, and they intended to start a newspaper PUT [THE WAY]. All except Masic were arrested, and proceedings were instituted, but in POLITIKA, as was the custom at the time, there was a cartoon on the front page showing the 'new party' in a jail cell. They were not tried, criminal prosecution against them was abandoned, as it was against Rankovic."

Guilt Before Judgment

NOVE OMLADINSKE NOVINE: And after that ....

[Popovic]: After that there was one after another, but I defended the largest number in such trials after '68. There were bans, and I represented STUDENT, VIDIKE, STRADIJA, FILOSOFIJA, SUSRET, and later THEORIJA, Dr Zagorka Golubovic, Dr Mihajlo Markovic, Dr Nebojsa Popov, the writers Ivan Ivanovic and Predrag Cudic in connection with their books being banned, some less important student newspapers in the provinces, Dusan Makavejev for publication of the book "Dokumentacija" [Documentation], which had to do with the banning of his film "The Mystery of the Organism."...

And there were also criminal proceedings, mainly sgainst students in Belgrade, Zagreb, and Ljubljana. During that time I also defended the writer Dragoljub Ignjatovic, Dr Kosta Cavoski, an assistant professor in the School of Law.... I represented the professors from the School of Philosophy at Belgrade University in the constitutional dispute concerning the Law on Higher Education, when they were placed "on waiting status." There was a lot of work.

NOVE OMLADINSKE NOVINE: Recently you have defended Djogo, Seselj ....

[Popovic]: Yes, since those last two cases there have also been Ranko Cicak, Dr Veselica, Dr Tudjman....

NOVE OMLADINSKE NOVINE: So, almost all the better-known cases of "political crimes."... Have any other lawyers acted as defense counsel in cases of this kind?

[Popovic]: Indeed they have. Over the last 15 years Yugoslavia has seen about 500 such accusations a year, and someone defends in all those cases, although since the time of the late Veljko Kovacevic and Jora Barovic there have not been people who have specialized along that line. This is understandable since in a community like ours, in a community with a very low level of consciousness of the law, that kind of specialization can be very undesirable.

If you defend "enemies," you run the risk of being proclaimed an enemy your-self. However, if you defend murderers, like my colleague Guberina, for example, it does not occur to anyone to proclaim you a murderer. There is food for thought here.

Why is that the case? Well, the reason is that in view of the principle of presumption of innocence, whereby no one is considered guilty until criminal proceedings against him have been concluded, Guberina does not defend "murderers," nor do I defend "enemies." We defend people, then, only until the end of court proceedings, that is, only so long as the law itself considers them innocent. A difference, as we have seen, does nevertheless exist. Why? Simply that in the case of a "political crime" the accused is guilty even before trial, since everyone has already taken a position on the question, the court proceedings figure only as a kind of verification of the political conviction which is pronounced immediately, and that is over and done with. And now if you come forward as the defender of "such a person," you are actually defending an "enemy," and everyone immediately makes fun of you.

NOVE ONLADINSKE NOVINE: You were supposed to defend "The 6," but you didn't.... The prosecutor proposed you as a witness....

[Popovic]: Several of the accused named me as their defense counsel as soon as they were taken into custody. Their families came to me, we talked, and, of course, I took notes on that. Then the State Security Service conducted an illegal search of my office, took away the notes on those conversations I had had with the families of the accused, and the investigating judge notified me that I could not defend the accused "since I would be called as a witness." This was all illegal, of course, but I won't bore you with the technical

details. And in actuality: the public prosecutor did call me as a witness. Once again contrary to what the law provides; he did not even mention what I was supposed to "testify" about.

The court found in the trial that my interrogation had been superfluous, which was, of course, absolutely true. This had been clear from the very beginning. That is how I was able to resume the defense of those accused only before the Supreme Court of Serbia and the Federal Court. I am not telling you this by way of a complaint, but so that you can see the range of the difficulties which the defense faces in these cases.

Someone Has Been Removing Paneling in My Apartment

NOVE OMLADINSKE NOVINE: In view of all these cases in which you have acted as defense counsel, are you also considered an opponent of the system?

[Popovic]: Defense is established in the public interest by the constitution and law. In acting as defense counsel I feel that I am not only perforning a legal service to the defendant, but also a public service. In the face of that there are people who feel that it is not in the public interest to defend those who have been accused of "political crimes"; that these are somehow "special cases," that the law does indeed guarantee them the same rights, but that this, of course, should not be taken altogether literally. People like that consider you an opponent!! Why are you "muddling things" here when everything is clear. What are you doing here, when you don't know what it is about. Every move made by the defense, every motion concerning evidence, is taken as a kind of obstructica. Your defendant is notoriously guilty, since he has already been convicted by the press, by television, and indeed even by the executive branch of the government, not to mention political factors. If you do not see this and insist on the presumption of his innocence, you are so to speak "abusing" the democratic principles in the constitution and law, pretending not to understand that a "political crime" is something else.

NOVE CMLADINSKE NOVLHE: Have you personally ever had problems because you specialized in political crires?

[Popovic]: Pirst, wherever you go, you are met with a kind of suspicion: "Oh, so you are the one?" I know that there are investigating judges who advise the accused not to hire me as defense counsel: "What good will he do you? He only defends those enemies, you are not an enemy..." Then I have constantly had breakins in my apartment, in my weekend cottage, in my office. They don't take anything, they just unscrew paneling, for example. I write complaints, but no one is accountable to me for this. At the beginning I thought that this was connected with the work I do, but when I gave it more thought, I realized that certainly there is no connection. That would be illegal.

NOVE OMLADINSKE NOVINE: Does it pay in terms of fame or money to defend political defendants?

[Popovic]: That kind of "fame" is hard to bear, since it rests on premises which are difficult to accept. You constantly feel abused. It is based on a

misunderstanding: you are identified with the defendant by everyone. I do not like to have a "reputation" with the State Security Service, any more than I like having some Ustasha rabble wanting to shake my hand on the sly because I am defending Arcukovic. Nor do I like it when those whom I have defended in the past feel that it was alright for me to defend them, since the right to defense is a constitutional category, but that I cannot defend others, since that "is not the same." They are all politicized, and so that "fame," which is politicized, is worthless.

As far as money goes, that cannot be a motive either. Criminal proceedings are a conflict. It is difficult to live in conflict, no one can pay for that.

Karadjordje Has a Pistol

NOVE OMLADINSKE NOVINE: What, then, is your motive?

[Poporic]: Probably professional ambition. In my opinion these are the most difficult defenses, and thereby they are the most necessary for the accused. By the logic of things you have an accused charged with an attack on the state, and so crimes of this kind are in fact called "crimes against (the people and) the state." The accused is pursued by the state police and state prosecutor. and he is tried by a court which is also a body of the state, though independent, but which sometimes is ordered by the highest political authority "not to clutch the law like a drunk man clutches a fence." Even before the trial the press has referred to him as a "rat," "troublemaker," "mercenary," in short, as an "enemy," a "devil," "information" about him circulates through other channels, "positions" are taken .... When such forces are joined against a person, I think that he truly has the greatest need for defense. Second, when a man begins to take such cases, he faces a number of specific difficulties which do not exist in cases of what is referred to as conventional crime, and this creates an additional motivation if you are not discouraged in advance. It is like a chess game, and you have given your opponent a handicap of four rooks. That is, he has taken that "handicap" himself, I never would have given it to him.

NOVE OMLADINSKE NOVINE: What actually happens in these trials? What does that "rook" consist of?

[Popovic]: Here is what happens: I go, say, to a judge in Tuzla and say that I want to see the papers on the case and I want to see the defendants. "You can see the papers," he says, "but not the defendant." "How is that," I ask him, "when the law absolutely guarantees me that right?" "Eh, this is a special case." "Well, until a special law is passed for that special case, then please let us operate according to the one that exists." "You can file a complaint with the presiding judge," he calmly says.

Yes, I can, but the presiding judge is, of course, in Sarajevo. He has gone off on business, his secretary says. Then I write petitions, I send telegrams, and I arrange a meeting with the defendant 1 day before the trial. There is nothing I can do, the material on the case runs to 1,000 pages, the man is semiliterate, frightened, confused. In the courtroom I seek a continuance, it is refused. I have to go on, I get by the best way I can. The

atmosphere is informal, the judges smoke, drink coffee, use bad language, they use the familiar form of address with witnesses... I file a complaint with the presiding judge who presumably has come back from Sarajevo. The next day they are angry, they do not smoke, they do not drink coffee, but they look grim. Incidentally, that was an interesting trial on many counts. For example, a picture of Peter I Karadjordjevic, an article from a German newspaper about the marriage of some Karadjordjevic, a picture cut out of a book with the caption: Serbian soldiers on the Salonica Front, a badge with a crown (a royalist symbol!) with the writing "E II R" (Queen Elizabeth II) were confiscated from the accused as hostile propaganda material....

The accused had finished the fourth grade, he had been off working in Duesseldorf, and he was charged with hostile propaganda and insulting the president of the Republic. He defended himself by saying that in his dwelling in Duesseldorf he had a color picture of Tito in which he himself had written down what he referred to as Tito's titles: three times a national hero, president of the SFRY for life, chairman of the LCY, commander in chief.... Witnesses appeared to confirm this. And then on the last day came the crown witness. A taxi driver flown in from Duesseldorf at the expense of the accused, they just take his money, the savings he has brought to build a house. This fellow knows everything, he just goes on and on. As far as Tito's picture goes, he says, that is true, but Karadjordje's picture hangs above that picture. And that pistol, hanging from Karadjordje's belt, he says, is aimed right at Tito's head.

I get the verdict and I see that the court is taking this as the decisive argument.

Judges and Communists

NOVE OMLADINSKE NOVINE: Are there pressures in these trials which are not really related to the law?

[Popovic]: Since there are pressures which are exerted publicly, before our eyes, I feel that it is legitimate to conclude that there are also those which are exerted in other ways. If the executive branch takes a position on a case which has not yet come to trial....

NOVE OMLADINSKF NOVINE: Tell me specifically--who?

[Popovic]: Specifically--Veselin Djuranovic in the case of "The 6," Stane Dolanc in the case of Seselj, Branko Mikulic in the case of Seselj, Jure Bilic in the case of Veselica...are the first ones that come to mind. At the same time, as soon as someone speaks up on behalf of the accused, for instance, Mica Danojlic or Biljana Jovanovic in the case of Djogo, everyone immediately screams that pressure is being put on the court. A lot the court cares about what Mica Danojlic has to say! What can Mica have to say to it, a lyric poet.

Take this last case of the officials of the Bosnian Republic Executive Council. POLITIKA immediately went to press with a big headline: "They Took Bribes." These people are innocent under the law and the constitution. You can write

that they have been accused of taking bribes, but POLITIKA knows that if they have been accused, then they are also guilty. Yet this can be established only by the court. Sometimes it turns but that the charges do not hold up. These people have already been branded, but it does not occur to POLITIKA nor to anyone else that they might write: Forgive us, we have made a mistake. Be glad you got out of it with your head. They said insulting things about "The 6," yet four were acquitted. Now what? Nothing, business as before, "they took bribes." Well, isn't that pressure? How can that court look friends and neighbors in the eye when they ask: "So why did you acquit those who took bribes?"

NOVE OMLADINSKE NOVINE: Does the "political factor" still have some kind of influence on political crimes?

[Popovic]: Many of the "cases" were initiated at the political level. In some political meeting someone roars out that a particular thing must be prosecuted and a penalty imposed. This is usually in the style: "We will not allow..." and it is added that "both administrative and judicial measures should be used," "if necessary," and this is a sign for someone to take a look around and see if such a person is on the horizon.

If that is not enough, then they come forth with the first and last name, or it is said in such a way as to be altogether clear who is referred to. For instance: "a sociologist from Sarajevo," "some philosophers," or the like.

At that point a particular problem arises in my opinion: most judges are members of the League of Communists. By the principle of democratic centralism that prevails in that organization, they are bound by the views adopted by certain political forums. If those political forums take a position on the question of some political guilt or innocence, then those views are binding, in my opinion, and the particular judge is bound by the logic of party discipline. In other words, I myself do not know what I would do in such a case. The organization I belong to I want to stay in and I am loyal to it, is calling upon me to take that position even if in my heart I do not agree, once that position is taken, and the law calls upon me to arrive at my opinion only in the course of the trial, remaining open to all arguments. It seems to me that this demand is contradictory. Viewed logically, the only way I see out of this situation is for the League of Communists not to take a position on cases before a court, or if that should occur, the judge who is a member of the League of Communists should disqualify himself, since there are circumstances which do not allow him to be impartial.

According to a third logic, the court should not in fact be independent of the League of Communists, since this is a class court which is rendering judgment under class law. That seems wrong to me: the class interest is sufficiently protected in the legislative process, and then the court defends that interest best by applying the law impartially as a universal and general rule of behavior.

The Verbal Crime Is Constitutional

NOVE OMLADINSKE NOVINE: You are one of the signers of the petition to abolish the verbal crime....

[Popovic]: All of us who signed it were amazed at the reaction to that petition and proposal. As though this were some kind of attack on the system. I have subsequently reflected on why this is the case, and it seemed to me that I was able to connect it all together only when there began to be talk about the responsibility of what we can refer to as "holders of equal powers," or, simply, the government. I have seen that every unfavorable assessment of sociopolitical conditions in the country, and this is hostile propaganda, contains implicit criticism of those who are responsible for it. Objectively this act is used to eliminate responsibility and frustrate criticism.

So, it is now clear to me why the verbal crime is defended so persistently, but I have to admit that it wasn't clear to me at the time when the petition was submitted. I considered that crime to be an anachronism in the law, I felt that the verbal crime would vanish as soon as people paid a little attention to it.... B t there obviously stands behind it an interest which is dictating that it shall remain in place....

NOVE OMLADINSKE NOVINE: As far as you know, is there any other law which makes similar behavior a crime?

[Popovic]: I would not agree with those who say that there are other places with things like that. There does exist something that would correspond to our crime of spreading false reports. But that is a crime that I would commit if I said, for example, that there were immense floods in Macedonia or that a bomb had fallen on Karaburma.... I cause chaos.... In other words, that is something quite different. Such crimes exist in all bodies of legislation, but under wartime conditions they are wartime crimes which weaken the fighting strength of the state, which detract from the morale of the population and cause panic.... It does not exist in peacetime. So, a crime having to do with a citizen's right to pronounce politically relevant judgments—that does not exist anywhere.

NOVE OMLADINSKE NOVINE: Do you think that the provision concerning the verbal crime is unconstitutional?

[Popovic]: Our constitution does not guarantee citizens equality regardless of political conviction. This is guaranteed by the United Nations Charter, but not by our constitution. What it says is this: "...regardless of sex, race, nationality...," but political conviction is not mentioned.

The existence of the verbal crime is altogether constitutional. I think that the verbal crime ought not to exist, but in view of the way freedom of thought has been guaranteed in our constitution, the verbal crime is altogether constitutional.

NOVE OMLADINSKE NOVINE: I assume you are aware of the assertions that there have been cases of abuse of psychiatry precisely in cases of political crime....

[Popovic]: In my opinion an assessment of that can be offered only by specialists—psychiatrists. You and I are laymen in this area. We cannot judge whether someone is ill or not. But I see another great difficulty here. If someone has been admitted to a mental hospital for treatment, it must first be established that he has committed the crime of which he is accused. But in my opinion the reference is to a crime which a mentally ill person could not commit. A sick man can commit the crime of murder, but it is objective, it does not contain a subjective element. But no one can untruthfully portray sociopolitical conditions if he is insane, since his mind is disturbed, he cannot have a notion of what is true and what is not true.... 30, he cannot be found guilty at all of committing that crime as it has been defined in the law.

### I Would Defend Even Draza

NOVE OMLADINSKE NOVINE: As a defender specialized in "political crime" mainly at the verbal level, you all of a sudden appear in the Artukovic trial as his larger. How did you come to defend him?

[Popovic]: This is not the first time I have been defense counsel in cases for "nonverbal" political crimes. For instance, there were the Armenians who tried to assassinate the Turkish ambassador. The way it happened was that Artukovic's son came to me and asked if I would defend him. Artukovic's case is a very interesting one from the legal standpoint, and aside from that it is extremely unpopular. That makes two reasons for me to accept. I only put a third condition: I cannot defend the Independent State of Croatia, I cannot defend the Ustashi, I cannot deny genocide. Artukovic's son agreed, that is not what he wanted. I saw no obstacles.

NOVE OMLADINSKE NOVINE: Can you tell me more precisely what you. motives were in accepting that case?

[Popovic]: According to our ethics, legal ethics, the question is put differently: Are there motives for refusing a case? There were none. Then it has to be taken, especially if it is unpopular. It is easy for an accused to find defense counsel when everyone is scrambling to take his case. The more unpopular a case is, the greater obligation to accept. Only when I undertook that defense did I see that I had done the right thing. I began to get letters and telephone calls. They said: he should not even be tried, but cut up into pieces, his eyes should be plucked out, how can you be a Serb, you have sold your soul for a handful of dollars. Interesting. That is exactly what he is being tried for. I am not a Serb, but a lawyer. Friends whom I respect say: regardless of what your innermost motives are, you will be wearing his colors. Well, actually I will not be wearing anyone's colors. I do not accept that logic whereby in reality there are only "ours" and "theirs." This is fascistoid logic. That is why I really did my best in that defense. Please write that I would also defend Draza Mihajlovic and Aleksandar Rankovic (had he been tried) and Stepinac, and there are also some other names you might add.

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CSO: 2800/44

POLITICS YUGOSLAVIA

### RESPONSES TO POLEMICAL BOOK BY POLITICIAN PAVLOVIC ARGUED

Belgrade MLADOST in Serbo-Croatian 13 Oct 86 pp 12-13

[Article by Vlastimir Mijovic: "Is It Possible To Respond With Questions? In Reality Is It Possible?"]

[Text] Why has Dragisa Pavlovic's book "Pitanjem na odgovore" [A Question in Response to the Answers] received so much publicity? Is this a book of exceptional excellence or have the decisive things been the political situation and the fact that aside from his PhD Pavlovic's name is also followed by important political positions?

Why on Friday, 3 October, was the song by Belo Dugme entitled "The Hero of a Book" cut off in the middle during a broadcast over Studio B? Because the record happened to wear out (technical interference) at precisely that moment? Why was it broadcast in the first place on the radio on precisely the day and precisely after the discussion by Dragisa Pavlovic, which is the hit of the day by a political writer? Finally, why should our colleagues at that popular Belgrade radio station devote so much time to one book, and in fact precisely this book? And then when they have made that precedent in their conception, what did they mean to say by a song whose refrain can be interpreted in all sorts of ways ("It was great being the hero until they read me")?

Does Dragisa Pavlovic remain the "hero," then, even after his polemical piece of writing "Pitanjem na odgovore" has been carefully read, or is this only a media event, a political hit which owes its rapid rise on the list of best sellers primarily to some moves and aspects aside from the content?

What Turned the Tide?

What are the attributes of a book which was abundantly retold, commented on, and quoted in all the Belgrade news media even before the printer's ink had really had a chance to dry? Why is it so interesting to us, and why do we react in such timely fashion that this might almost be bothersome? Why in fact has it been officially or tacitly agreed that Pavlovic's book would immediately be promoted and pushed to the fore? Is its importance truly so great that it needs all that pompous announcement and advertising?

It is really out of the ordinary for the highest political officials to make themselves heard in precisely this way concerning these aspects, primarily political-ideological, of our reality-- "responding to a book with a book"--but still what is the point of so much public applause for a method which has not yet even taken life nor become politically official in our country whatever we might think of it? In fact, does all this ceremony actually represent the inauguration of a method that is being ushered in? Was it not precisely those formal aspects that prevailed (by contrast to the actual content of the book)? Isn't the press pushing something on its own initiative that it itself has been advocating openly for a long time now? Hasn't Pavlovic's discussion come, say to NIN, like drawing an ace to a 10 in blackjack, and so that it immediately began to publish it in installments as soon as it was published? Finally, isn't this the way in which politically official validity has been given to a slogan which perhaps someone else might have thought up, but which began to be heard only when Mitja Ribicic came out in favor of it from the highest position in the party? Now that all the stops have been pulled out in promoting it, is this good or bad for our topical discussions and events, and can Pavlovic's book be taken as a model which should be imitated?

What is it, then, that Dr Dragisa Pavlovic, chairman of the Presidium of the Belgrade City Committee of the League of Communists, writes about in his book entitled "Pitanjem na odgovore" (BIGZ, September 1986)? Are the spectacles through which he views certain extremely important things predominantly those of a scholar or those of an official? Or do we have a mixture which tastes better than either wine or water alone?

# Where Is the Limit?

The topics which Pavlovic treats in his book "are truly hot ones." They are "key problems of our society and the current phase of crisis through which it is somehow passing" (from the review by Dr Zivojin Rakocevic), but the question is what criteria of topicality and "heat" did the author use? Was he guided predominantly by reasons of day-to-day politics, by the urgency of problems at this moment, or are we dealing with topics which have a more lasting fascination and evocativeness? Or should we not ask that at all, but rather accept what has been written and published, and then place it in the social context of the present time?

The first and probably most important chapter of this book is a discussion of Kosovo and the counterrevolution in Kosovo ("an obsessive topic in this part of the world"), and there probably is no reader who would wonder why Pavlovic devoted exceptional attention to precisely that? Many people, however, might have good reason to wonder why in this part of his discussion the author nevertheless stops halfway with some things? Why, for example, does he openly ask, "Who are those who inspired and organized the counterrevolution," why is it "no one's work"? And when he has put the question, sharply and openly, why does he not answer it in the same style? Why is the issue not taken to the end? The reading public does not, of course, harbor any illusion that Pavlovic, even though he may be in the highest leadership, has a list of names but just refuses to publish it, but it rightly expects more specific answers from him as to why those names are not known or—if some of them are known—why are they not brought out to be examined by the public?

Is Pavlovic, then, holding himself back from entering onto "someone else's" terrain? Is it enough for him just to provoke (if that is what he wanted) the right answers from the right place? Is that the reason why, respecting the strength of a personal example, he is considerably more open and consistent when he speaks about "his own" nationalism, when he asks the question and answers it as to "where the precise limit is between ethnic self-respect and nationalistic boasting"? Yet haven't we taken certain tacit compromises under pressure here? Should we speak without compromise only about "ourselves" and "our own"? Finally, will Pavlovic's interrogative tone in this part of the book receive an appropriate answer in some other book? Will someone start to speak in a similar way about "his own" nationalism (in this case Albanian)?

Pavlovic devotes a substantial portion of the first chapter to clarifying the present-day (multifarious) meanings and uses of the term "Belgrade," especially those pejorative connotations which indicate very precisely the causes and consequences of this term's domestication, but still it leaves us in a dilemma as to whether he personally feels that there is no reason whatsoever worthy of attention why the use of that term might at times be justified? After all, he argues effectively that it is wrong to equate an entire community and city with certain sporadic events and tendencies, emphasizing those examples which back this up, but later in analyzing certain phenomena, doesn't he in fact confirm that the "Belgrade" syndrome does after all exist in some respects? Could he, then, have enriched his contribution to clarifying this increasingly hackneyed term with additional arguments, which at certain times might entitle some people to christen something as being "Belgrade"?

# What Was the Real Marx Like?

In the essay entitled "On the Real and Manipulated Marx" Pavlovic appears to agree with Dr Ljuba Tadic, who says that "today we have an ever greater need to think through Marx on our own in concrete historical terms," and then he immediately asks, "Which Marx are we thinking through?" After all, for him there exists only the real and only the manipulated Marx, which he sticks with throughout the book, although it would seem that this part of the discussion would have been much more convincing if he at least had asked whether perhaps in some respects we might not also look for a mixed Marx? To be sure, Pavlovic clearly has an aversion to theories which are mixtures (oversimplifying to a fair degree the reflections of Dr Branko Horvat, Pavlovic decidedly rejects any possibility of talking about "socialist capitalism" and "capitalist socialism"; also, if my understanding is correct, his advocacy of the criterion of practice is so drastic that it negates almost any possibility of being joined harmoniously with theory), but isn't it the relationship between our theory and practice that actually drives us to ask ourselves whether in many respects the real Marx might not be real? Who is interpreting and representing him as such?

For example, was it the real or the manipulated Marx who was the predecessor of Stalinism? Of course, Pavlovic believes that this is a question of pure manipulation. Sound and objective analyses on this question published so far support him in this, but does it also entitle him to completely absolutize the issue, rejecting any notion at all that something in Marx's body of theory, regardless of him himself, did provide grist for the mill of Stalinism?

Immediately after its publication the book "Pitanjem na odgovore" was labeled "courageous," which it and its author certainly deserve, but we have to answer the question of whether this is because it was written and published at all or because it was written the way it was written? It turns out that several reasons support the latter, primarily because of Pavlovic's exceptional openness and concreteness, although it is still debatable whether certain matters can be defined so precisely in value terms (this is something that Pavlovic often does) without their being examined more carefully and comprehensively? For example, although I myself am very inclined to the same assessment of the economics education of Svetozar Vukmanovic Tempo, can it be said of him that "he does not have sufficient familiarity with many economic phenomena and processes, and his understanding goes no further than that," that "the economy is infinitely more complicated than Tempo's notions of it," without a more careful analysis and refutation by way of essential line of argument in the book itself? Or perhaps it is an exaggeration to call upon an author to elaborate in detail everything he takes up?

# Position or Opinion?

Along with the part of the essay in which he debates Dobrica Cosic, the most persuasive part of the book is where Pavlovic opposes certain views of Mijalko Todorovic, although a dilemma again remains hanging in the air as to whether it is more important to point to someone's human and moral inconsistency or to remain only on the plane of theory in presenting counterarguments? Pavlovic truly does portray and prove Todorovic's major flip-flops by comparing his statements from the past and present, but he has omitted in precisely this connection to also compose an analysis of major importance which would have answered his own inquiry in which he sought an answer to the dilemma of "whether Todorovic had changed his opinion (which is his human right) or only the (social) position from which his thought comes"?

Mijalko Todorovic is not the only one this has happened to; there are many others like him (it is truly a question of a kind of "syndrome of those departing"), and it would be very interesting to learn what Dragisa Pavlovic thinks about this. Won't it perhaps also happen to him one day? In actuality do there exist reasons which in real terms can bring this about, and what reasons are those? (In addition to this part of the discussion, in which Pavlovic argues well and lucidly against Todorovic's pleas for the multiparty system, it would be worth asking, purely as a matter of theory, whether Pavlovic's forecast is sound to the effect that "abolition of the League of Communists or the multiparty system would lead Yugoslav society to anarchy, and from there the road to dictatorship would again be inevitable"? Is that the only possible epilogue?)

The final section of the book, in which Pavlovic debates Dobrica Cosic ("Two Points of View"), is undoubtedly the most impressive. It is bounded by the essential coordinates of the "Cosic" manner of reflection and practical action, although some people will ask what it has to do with anything that according to Cosic people refer to a box of matches as a "machine," while according to Pavlovic most people long ago stopped using that expression? Others will rightly ask why Pavlovic accuses Cosic of leaderism in the Association

of Serbian Writers, when he himself allows the possibility that Dobrica Cosic does not want this and does not desire it? Should Cosic be blamed, then, if the Presidium of the Association of Serbian Writers takes up his views as its own?

Finally, will the author of these lines make a mistake if he judges that portion of Pavlovic's book to be a desirable prototype for a majority of books of this kind? However, is a method that refutes ideas with counterarguments, rather than attacking the man, also acceptable to others? If Cosic had not been mentioned at all, in the end would Pavlovic's criticism of the views of Erih From (the originator of the theory of the "supreme cultural council") have been sufficient to also discredit the identical positions taken by Cosic? Is it clear, then, that even without the fetters of a satrap, by reasoned criticism armed with a knowledge of things, it is possible to disarm certain ideas and those who hold them? Pavlovic's book will certainly continue to receive a great deal of publicity in the days to come. Many a critic and reader will be taking it up, some of the people mentioned in it and referred to by name will probably react, and the question arises whether the method inaugurated in this way will be practiced to the hilt? In view of the fact that certain names have long been "blacklisted" by a major portion of our press, will those whose names were called have an occasion to answer the "book" with a "book"? And is Pavlovic willing to go all the way in crossing swords, relying on his own knowledge and reflections, as he has in this book, and not on political rank, which gives him an additional authority, though in this context he obviously does not need it?

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